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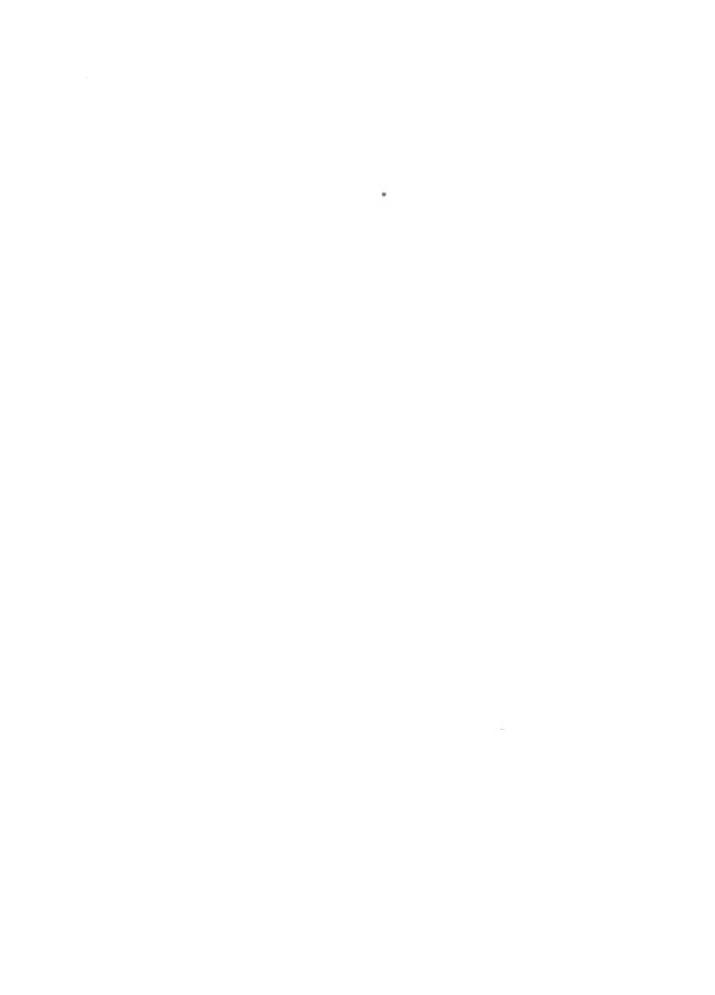
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The Wine Spectator California Winemen Oral History Series

Edmund A. Rossi, Jr.

ITALIAN SWISS COLONY, 1949-1989: RECOLLECTIONS OF A THIRD-GENERATION CALIFORNIA WINEMAKER

> With an Introduction by A. Dinsmoor Webb

An Interview Conducted by Ruth Teiser and Lisa Jacobson in 1988, 1989

Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the Nation. Oral history is a modern research technique involving an interviewee and an informed interviewer in spontaneous conversation. The taped record is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The resulting manuscript is typed in final form, indexed, bound with photographs and illustrative materials, and placed in The Bancroft Library at the University of California, Berkeley, and other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

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EDMUND A. ROSSI, JR. 1983

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Cataloging Information

ROSSI, Edmund A., Jr. [1924] Winemaker

<u>Italian Swiss Colony, 1949-1989: Recollections of a Third-Generation California Winemaker</u>, 1990, 148 pp.

Three generations of Rossi family winemakers; winery at Asti, California; various owners of Italian Swiss Colony; flavored wines; influence of Louis Petri; winery personnel; brandy and high-proof wines; research and development of products; international investigations for Heublein; professional organizations and research papers; modern advances in the vineyard and the winery.

Introduction by A. Dinsmoor Webb, Ph.D., Professor Emeritus, Department of Viticulture and Enology, University of California, Davis.

Interviewed in 1988 by Ruth Teiser for the Wine Spectator California Winemen Series. The Regional Oral History, The Bancroft Library, University of California, Berkeley.



OBITUARIES

Edmund A. Rossi Jr.

Funeral services will be held tomorrow for Edmund A. Rossi Jr., a member of one of California's most famous wine families.

Mr. Rossi died Monday at a rest home in Oakland of complications brought on by a major stroke in 1992. He was 72.

A grandson of pioneer winemaker Pietro Rossi, he spent a long career with Italian Swiss Colony after graduate studies in enology at the University of California at Davis.

Mr. Rossi was an expert on research and product development and a former president of the American Society for Enology and Viticulture. He served as vice president in charge of quality control for Italian Swiss Colony, which was acquired by Beringer Vineyards in 1988.

He was a native San Franciscan who attended St. Ignatius High School and the University of San Francisco. His college years were interrupted by service in the Navy during World War II.

A widower, Mr. Rossi is survived by three children, Christine of Denver, Therese of San Diego and Brandt of Alameda; a sister, Yvonne Rossi Dolan of Oakland; and two grandsons.

The funeral will be at 9:30 a.m. at St. Ignatius Church at Parker and Fulton streets in San Francisco, with burial in Holy Cross Cemetery.



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PREFACE

The California wine industry oral history series, a project of the Regional Oral History Office, was initiated in 1969 through the action and with the financing of the Wine Advisory Board, a state marketing order organization which ceased operation in 1975. In 1983 it was reinstituted as The Wine Spectator California Winemen Oral History Series with donations from The Wine Spectator Scholarship Foundation. The selection of those to be interviewed is made by a committee consisting of James D. Hart, director of The Bancroft Library, University of California, Berkeley; John A. De Luca, president of the Wine Institute, the statewide winery organization; Maynard A. Amerine, Emeritus Professor of Viticulture and Enology, University of California, Davis; the current chairman of the board of directors of the Wine Institute; Ruth Teiser, series project director; and Marvin R. Shanken, trustee of The Wine Spectator Scholarship Foundation.

The purpose of the series is to record and preserve information on California grape growing and wine making that has existed only in the memories of wine men. In some cases their recollections go back to the early years of this century, before Prohibition. These recollections are of particular value because the Prohibition period saw the disruption of not only the industry itself but also the orderly recording and preservation of records of its activities. Little has been written about the industry from late in the last century until Repeal. There is a real paucity of information on the Prohibition years (1920-1933), although some commercial wine making did continue under supervision of the Prohibition Department. The material in this series on that period, as well as the discussion of the remarkable development of the wine industry in subsequent years (as yet treated analytically in few writings) will be of aid to historians. Of particular value is the fact that frequently several individuals have discussed the same subjects and events or expressed opinions on the same ideas, each from his own point of view.

Research underlying the interviews has been conducted principally in the University libraries at Berkeley and Davis, the California State Library, and in the library of the Wine Institute, which has made its collection of in many cases unique materials readily available for the purpose.

The Regional Oral History Office was established to tape record autobiographical interviews with persons who have contributed significantly to recent California history. The office is headed by Willa K. Baum and is under the administrative supervision of James D. Hart, the director of The Bancroft Library.

Ruth Teiser Project Director The Wine Spectator California Winemen Oral History Series

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CALIFORNIA WINE INDUSTRY INTERVIEWS

Interviews Completed by 1990

- Leon D. Adams, Revitalizing the California Wine Industry, 1974
- Leon D. Adams, <u>California Wine Industry Affairs: Recollections and Opinions</u>, 1990
- Maynard A. Amerine, <u>The University of California and the State's Wine Industry</u>, 1971
- Maynard A. Amerine, Wine Bibliographies and Taste Perception Studies, 1988
- Philo Biane, <u>Wine Making in Southern California and Recollections of Fruit Industries</u>, Inc., 1972
- John B. Cella, The Cella Family in the California Wine Industry, 1986
- Charles Crawford, Recollections of a Career with the Gallo Winery and the Development of the California Wine Industry, 1942-1989, 1990
- Burke H. Critchfield, Carl F. Wente, and Andrew G. Frericks, <u>The California</u>
 <u>Wine Industry During the Depression</u>, 1972
- William V. Cruess, A Half Century of Food and Wine Technology, 1967
- Jack and Jamie Peterman Davies, <u>Rebuilding Schramsberg</u>: <u>The Creation of a California Champagne House</u>, 1990
- William A. Dieppe, Almaden is My Life, 1985
- Alfred Fromm, Marketing California Wine and Brandy, 1984
- Louis Gomberg, <u>Analytical Perspectives on the California Wine Industry</u>, 1935-1990, 1990
- Joseph E. Heitz, Creating a Winery in the Napa Valley, 1986
- Maynard A. Joslyn, A Technologist Views the California Wine Industry, 1974
- Amandus N. Kasimatis, <u>A Career in California Viticulture</u>, 1988
- Morris Katz, Paul Masson Winery Operations and Management, 1944-1988, 1990
- Legh F. Knowles, Jr., <u>Beaulieu Vineyards from Family to Corporate Ownership</u>, 1990
- Horace O. Lanza and Harry Baccigaluppi, <u>California Grape Products and Other Wine Enterprises</u>, 1971
- Louis M. Martini and Louis P. Martini, Wine Making in the Napa Valley, 1973
- Louis P. Martini, A Family Winery and the California Wine Industry, 1984

- Eleanor McCrea, Stony Hill Vineyards: The Creation of a Napa Valley Estate Winery, 1990
- Otto E. Meyer, California Premium Wines and Brandy, 1973
- Norbert C. Mirassou and Edmund A. Mirassou, <u>The Evolution of a Santa Clara Valley Winery</u>, 1986
- Peter Mondavi, Advances in Technology and Production at Charles Krug Winery, 1946-1988, 1990
- Robert Mondavi, Creativity in the Wine Industry, 1985
- Michael Moone, <u>Management and Marketing at Beringer Vineyards and Wine World</u>, <u>Inc.</u>, 1990
- Myron S. Nightingale, Making Wine in California, 1944-1987, 1988
- Harold P. Olmo, Plant Genetics and New Grape Varieties, 1976
- Cornelius Ough, <u>Researches of an Enologist, University of California, Davis,</u> 1950-1990, 1990
- Antonio Perelli-Minetti, A Life in Wine Making, 1975
- Louis A. Petri, The Petri Family in the Wine Industry, 1971
- Jefferson E. Peyser, The Law and the California Wine Industry, 1974
- Lucius Powers, The Fresno Area and the California Wine Industry, 1974
- Victor Repetto and Sydney J. Block, Perspectives on California Wines, 1976
- Edmund A. Rossi, Italian Swiss Colony and the Wine Industry, 1971
- Edmund A. Rossi, Jr., <u>Italian Swiss Colony</u>, <u>1949-1989</u>: <u>Recollections of a Third-Generation California Winemaker</u>, 1990
- Arpaxat Setrakian, A. Setrakian, a Leader of the San Joaquin Valley Grape
 Industry, 1977
- Elie Skofis, California Wine and Brandy Maker, 1988
- Andre Tchelistcheff, Grapes, Wine, and Ecology, 1983
- Brother Timothy, The Christian Brothers as Wine Makers, 1974
- Ernest A. Wente, Wine Making in the Livermore Valley, 1971
- Albert J. Winkler, Viticultural Research at UC Davis (1921-1971), 1973

INTRODUCTION -- Edmund A. Rossi, Jr.

The first, 1887, vintage in the newly constructed winery at Asti was a sad disappointment, more nearly resembling vinegar than drinkable table wine. This led Andrea Sbarboro to recruit his San Francisco druggist friend, Pietro C. Rossi, for help in the winemaking. Rossi, a graduate pharmacist of the Univerity of Torino, understood the basic biochemistry of fermentation. Sbarboro had tried to develop the Italian Swiss Colony as a cooperative in which members were compensated with room, board, wine, and a basic wage, part of which was withheld for purchase of vineyard land. Worker reluctance to agree to the twenty-five year contract prompted Sbarboro to organize instead as a private vineyard and winery venture. Pietro Rossi was soon one of the managing partners in the company. Killed in a horse and buggy accident in 1911, Pietro left his twin sons, Edmund and Robert, who continued management of the technical side of the buisiness when the Italian Swiss Colony was taken over by the California Wine Association in 1913. Edmund and Robert correctly foresaw the failure of the prohibition experiment, and with the cooperation of the former vineyard manager at Asti, Enrico Prati, bought the property from California Wine Association. They supplied home winemakers with grapes, juice, or grape concentrate for home wine production. It was during this phase of the Italian Swiss Colony story that the donor of this oral history, Edmund A. Rossi, Jr., made his appearance.

Although it is possible that I met Ed Rossi, Jr., in 1941 or 1942 on the campus of the University at Davis, or at one of the various wine technicians' meetings, by late 1948 or early 1949 we had established a friendship developed from the new professor-graduate student relationship at Davis. We continued the friendship when Ed started working for Italian Swiss Colony. Ed apparently felt a need to discuss production problems, and initiated a long series of telephone conferences to this end. I enjoyed talking with Ed because he frequently presented problems the solutions of which led to fundamental discoveries in wine chemistry as well as to an answer to a practical problem in the operating winery. I also became acquainted with Ed Rossi, Jr.'s father, the late Edmund A. Rossi, who as manager of the Wine Advisory Board was the person to whom I reported on the research they sponsored in the University of California.

Throughout the 1950s, 1960s, and 1970s, Ed., Jr., and I met and worked together on the Technical Advisory Committee of the Wine Institute, the American Society for Enology and Viticulture, and the Wine Industry Technical Symposium. Invariably reserved and courteous, Ed was nevertheless a productive worker on committees, frequently smoothing rough spots in discussions. His ability to suggest compromises between opposing positions often led to group conclusions facilitating quality advances of California wines.

With the many changes in ownership of Italian Swiss Colony, Ed's positions, titles, and responsibilities changed, with the result that our close cooperation of earlier years became less frequent. In essence, contacts were reduced to brief personal exchanges at the annual meetings of the various grape and wine organizations of California. You may imagine my pleasure and surprise one late summer morning in the mid eighties, in Verona, to see Ed come into the lobby of the Due Torre Hotel. As my Italian host arrived at about the same time, I introduced the two gentlemen. I couldn't help being impressed again with Ed's quiet and courteous response, delivered in flawless (to my ear) Italian.

The most recent owner of Italian Swiss Colony, the Beverage Source, has sold the winery at Asti and is apparently leaving the wine business. This change leaves Edmund A. Rossi, Jr., consulting for Heublein, one of the earlier owners of the winery. What of the future of the winery at Asti? Desirable from the romantic traditional viewpoint, the fact is that the entire establishment, which was built to the standards of the 1880s, is not designed to make the finer wines of today in an efficient manner. Perhaps it is appropriate that as this winery fades away, the grandson of one of its founders carries on in the field of grapes and wines.

A. Dinsmoor Webb, Ph.D. Professor Emeritus of Enology

University of California Davis, California 22 March 1990

RECOLLECTIONS OF THE ROSSI FAMILY

Edmund A. Rossi and Edmund A. Rossi, Jr., represent both lifelong wine careers and lifelong devotion to the cause of California wine.

The father carried high ideals and practices from his boyhood before Prohibition, becoming president of the once-great Italian Swiss Colony winery and vineyards at Asti in northern Sonoma County. There in the 1880s his father, former San Francisco druggist Pietro C. Rossi, had produced the Italian Swiss Colony's first successful wines.

Edmund Rossi, Junior, after studying viticulture and enology at the University of California at Davis, joined his father, who since the repeal of Prohibition had become president of the Italian Swiss Colony and presided at the Colony's San Francisco headquarters on Beach Street. Edmund Junior's job there was to protect the quality of the Colony's bulk wines, then being shipped to the national wine trade. Quality consultation continued as Edmund Junior's principal responsibility in later years at the onetime Mission Bell winery near Madera. Still later it extended to a winery in Portugal.

It was about 1948 that I was successful in persuading Edmund Rossi, Senior, who by then had been retired from the Italian Swiss Colony, to accept the managership of the Wine Advisory Board at San Francisco, supervising the nationwide wine educational program then being conducted by the Board for the entire California grape and wine industry. He continued in that capacity until 1960.

Edmund Rossi, Junior, in the 1980s was recalled to the Italian Swiss Colony winery at Asti to accept a new challenge--to create a new premium-quality California wine brand of varietal California table wines to restore the Colony's quality reputation. The name selected was that of the Colony's founder in 1880--San Francisco grocer-banker-philanthropist Andrea Sbarboro.

The first Sbarboro Chardonnay and Cabernet Sauvignon produced by Edmund Rossi, Junior, at Asti delighted the nation's connoisseurs. But in the meanwhile, the entire Colony property at Asti was being sold to an entirely new owner. Edmund, Junior, returned to Madera and to his present endeavors of improving grapes and wines in Portugal and southern France.

Leon D. Adams

Mill Valley, California March 1990

INTERVIEW HISTORY -- Edmund A. Rossi, Jr.

Edmund A. Rossi and Edmund A. Rossi, Jr., represent two generations of a highly respected three-generation California wine industry family. The welcome task of interviewing both fell to me. That with Edmund A. Rossi, Sr., whose career was in both the industry and the industry organization, the Wine Advisory Board, was completed in 1971. Presented here is the interview with Edmund A. Rossi, Jr., whose career has been entirely with the organization, in all its mutations, that descended from the Italian Swiss Colony winery.

Through the years, under the various ownerships, the original Italian Swiss Colony property at Asti, California, had been maintained and used. At one time its lively tasting room was one of Northern California's leading tourist attractions. Edmund A. Rossi, Jr.'s work was done here and at the other installations affiliated with it, as he discusses in this interview.

The initial sessions of the interview, in which Lisa Jacobson participated, were held in Mr. Rossi's office at Asti shortly before the last company that held it sold the premises to another wine organization, which has ceased maintaining it as a separate entity. They were held on February 22, 23, and 24, March 7, 8, and 9, and April 4, 1988. Mr. Rossi brought notes, having frequently between sessions reviewed records.

After the transcript was sent to him, he reviewed it carefully, checking many points and making minor corrections, and making notes on additions. He wanted to make some clarifications, and especially he wanted to include the names of those who had worked constructively with him over the years. On June 7 and 8, 1989, in the conference room at a Heublein installation outside of Madera, his headquarters, he and I went over the changes and additions to work them into the transcript. The result is a highly informative account of many aspects of the California wine industry, its nuts and bolts as well as its larger issues, from the point of view of a remarkably steady contributor to that industry.

Ruth Teiser Interview/Editor

July 1990 Regional Oral History Office 486 The Bancroft Library University of California at Berkeley

BIOGRAPHICAL INFORMATION

(Please print or write clearly)

Your full name	EDMUND ARTHUR ROSSI JE
Date of birth /2/	117/24 Place of birth 507N FRANCISCE
Father's full name	EDMUND ARTHUR ROSSI
Birthplace	CARCLAND, CAL
Occupation	Une Executive
Mother's full name	BUATRICE BRANDT ROSSI
Birthplace	WOODLAND CAL
Occupation	Home maker
	p? SAN FRANCISCO
Present community _	MADERA - SANTA ROSA
Education 36	Chemistry Univ. of San Francisco
	tudies Bon Admin at UST; Endog
Occupation(s)	
Wine &	secutive (V.P-wnemaker the
	Recutive (VP-1vmemaker the Benerage Source Inc)
Special interests or	
	Spiris arts, Photography
	, , , , , , , , , , , , , , , , , , ,
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Childhood and Education

[Interview 1: 22 February 1988 (re-recorded 4 April 1988 due to machine failure the first time)], Asti, California##1

Teiser: Where and when were you born?

Rossi: I was born in San Francisco on December 17, 1924, and I spent my childhood days in San Francisco. I went to a grammar school run by French-Canadian sisters, Notre Dame des Victoires on Pine Street between Grant Avenue and Stockton. The idea was that I could learn a little French, which I did. Then when I graduated from there I went to St. Ignatius High School between 1938 and 1942.

Teiser: What part of the city did you live in as a child?

Rossi: I lived at 3445 Jackson Street, which is between Laurel and Locust Streets, in the Park Presidio District. That's the only home I remember, but I'm not sure when my father built the home.

Teiser: Was it built before you were born?

Rossi: I think it may have been built after I was born. In fact, the architect for the home was Remo Sbarboro, one of the three sons of Andrea Sbarboro. The other two sons were Romolo and Alfred, who were associated with the Bank of America.

Getting back to St. Ignatius High School, I had no sooner graduated from there than I started at the University of San Francisco in the Fall of 1942. I enlisted in the Navy in December 1942 for the V-12 program. It was a program for deck officers in the Navy.

¹This symbol (##) indicates that a tape or a segment of a tape has begun or ended. For a guide to the tapes, see page 146.

I reported for duty in June, 1943, to Gonzaga University in Spokane, Washington. I was there for university training from 1943 to 1944 before I went on to a midshipman's school, and then ultimately was commissioned.

Teiser: What was your rank?

Rossi: I was commissioned an ensign and retired an ensign. The truth is, I received my commission in the summer of 1945, and, as I recall, V-J Day was August, 1945. So I missed the fireworks. But I did go out to the Pacific and served on a small antisubmarine ship, USS PCE 875 out of the Philippines. It was a good experience, actually; I enjoyed it.

When I returned from the Navy I went back to the University of San Francisco and finished there in 1947. During 1948 I went to the University of California at Davis and took all the viticulture and enology courses without trying to get a Master's degree. A Master's degree would have entailed my going back and getting many more basic courses in either Pomology or Food Science. At that point I felt I was twenty-five years old and should get started in the business world, so I simply didn't take the time to get a Master's degree. Actually, if I had had time more on my side, or if I had wanted to take the time, I think I would have gone back and taken a Master's degree in Business Administration. I've always felt that to be a good combination with the scientific training.

Teiser: Didn't you wait until [Maynard A.] Amerine was there?

Rossi: Yes. I came back from the Navy in 1946 and actually finished my degree at the University of San Francisco in the summer of 1947. In the Fall of 1947, Amerine wasn't there, so I took some post-graduate business courses there for the balance of 1947. In 1948 I was able to take all of the enology and viticulture courses, including those which Maynard taught in 1948. I waited six months so I could specifically have him teach the enology courses.

Teiser: Who else did you study with then?

Rossi: I studied with Dr. [Albert J.] Winkler. He had a dry sense of humor. He was told I was from San Francisco the first day of class, and he handed me a pair of pruning shears and said, "Rossi, this is the handle; the other end is the cutting edge." [laughter] I still tease him about that, and he still laughs. It was good for a laugh then, and it's still good for a laugh now.

Then I studied with Dr. [John G.] Castor in microbiology and yeast. He was very good in microbiology. I also studied with Jim [James F.] Guymon on distillation and other engineering operations.

Teiser: Were you interested in distillation at that time?

Rossi: Yes, I found it interesting. It was an interesting course. I've always felt it would have been good to get into pot distillations, the way they do it in Europe, which is what they're beginning to get involved in now [here]--Jack Davies--

Teiser: He's out of it now, but he was in a venture with Remy Martin.

Rossi: Miles Karakasevic, who used to work for us at Escalon, I think still has a pot still up here in Mendocino someplace.

Teiser: Yes. Another fellow named Ansley Cole, Jr., has a pot still near Ukiah, too, and there are several at Guild.

Rossi: Oh, Elie Skofis [of Guild]. I knew Elie was always involved and interested. He and Bob [Robert M.] Ivie and Guymon went to Europe on at least one occasion to view brandy making firsthand.

Teiser: What was your training as an undergraduate?

Rossi: Chemistry.

Teiser: Did you always expect to be in the wine industry?

Rossi: No, for the first few years, when I was taking chemistry, I gave a thought to being a doctor and going into the medical profession. Then I decided against that, and the next most promising thing seemed to me to get into the wine business. And so I did. With an undergraduate degree in chemistry it was a very good support for me to have going into enology. Actually, I believe I realized more chemistry than would otherwise have been required.

The Rossi Family and Its Associates

Teiser: You had a very strong wine tradition, certainly, from your father and your grandfather. What do you know of your grandfather from family tradition? How would you describe him--Pietro C. Rossi?

Rossi: He died in 1911, and I didn't make my appearance until 1924, so there was a thirteen-year span. But from what I have heard others say, he was a very gentle person and quite a religious person, and treated people fairly. As I recall, there was a story of when he was in the cellar and somebody pumped wine into two tanks which were dry and so were not ready to hold wine, and consequently they lost a considerable amount of wine. My grandfather, instead of just blowing up over the matter, went up to the man and said, "You've made a mistake, you realize that? I expect it won't happen again," without losing his cool. That seemed to be the way he was.

In 1906, after the fire, when they had the winery in San Francisco, there was a considerable inventory of wine, apparently. They were able to preserve the wine through the fire, and I recall my father telling me that they did not increase the price of wine in virtue of a natural disaster. They felt that it wasn't right for them to take advantage of others who had lost their wine, when they had been spared their wine-actually, after a lot of pleading with army engineers not to blow up the building.

Teiser: Where was the winery?

Rossi: It was at Battery and Greenwich Streets.

I have a little historical document that my father wrote that is kind of interesting. 1

Teiser: Was your grandfather tall?

Rossi: I don't think he was exceptionally tall. For some reason I visualize him as being maybe five-feet-ten; I don't think he was six feet tall. You often see him next to Mr. Sbarboro, and I think Mr. Sbarboro was exceptionally short, so that may have made him look tall in stature. Maybe they didn't drink as much milk in those days; I don't know.

Teiser: I found in The Bancroft Library a letter your grandfather had written suggesting that American wine be served to American Navy people, or at Navy banquets. It made him a very strong American Italian, expressing great patriotism. It was to Frederick Taggert, who was in the San Francisco Chamber of Commerce.

¹See Appendix I.

Rossi: [reads it] That's the first time I've seen this letter. It's interesting that the tone of the letter is not for them to serve exclusively Italian Swiss Colony; he'd like for them to serve Italian Swiss Colony, but if they didn't, at least serve a California wine in preference to other wines. Which is a good spirit.

Teiser: The other item I have is an 1895 bill.

Rossi: Oh, for goodness' sakes. [reads it] Fourteen cases of Zinfandel for forty-six dollars! That's quite a bargain by today's standards.

Teiser: Continuing to trace the wine tradition in your family, your father [Edmund A. Rossi] was in the wine industry throughout his life, was he not?

Rossi: Yes. He went to St. Ignatius College, which is the same as the University of San Francisco today. Then I believe he spent a year with Professor [Frederic T.] Bioletti at the University of California in Berkeley. (When I speak of my father, I'm speaking also of his twin brother, Robert [D.]; they were very close, and certainly their educational backgrounds and business careers paralleled one another's very, very closely.) Anyway, they went to the University of San Francisco, graduated. I think in those days they had more of a liberal arts degree, and then he went on to take the scientific winemaking course from the University of California at Berkeley.

They finished their studies in 1909. Then they went to Europe shortly thereafter with my grandfather to tour some of the winemaking regions of Europe. As a matter of fact, they found a type of fermenting tank in use in Northern Algeria which provided for automatic infusion of the fermenting red juice over the pomace to extract color. This system was adapted at Asti. They also learned of the use of a material called sulfur dioxide, which turned out to be quite an asset, when used in proper amounts, for making wine.

My father and uncle were hardly in the business before my grandfather died, in 1911. That was a terrible tragedy and an enormous shock to the family with ten children. So in virtue of that, it was shortly thereafter that, in 1915, they sold their share in Italian Swiss Colony to California Wine Association, 1

¹The first half interest was sold in 1901, the second in 1911, although it was not announced until later.

and then both Bob and Ed worked for California Wine Association for several years. My father was here at Asti as superintendent of the plant, and Robert was in charge of the San Francisco operation. Robert was absent for Army duty during the First World War.

In any case, in 1920 they formed a company--this was after the start of Prohibition--that was called the Asti Grape Products Company, which sold grapes and concentrate for home winemaking or for juices. They survived through Prohibition in that way. Of course, it was not just themselves: there was Enrico Prati, who was a partner of theirs through their business life; and then the Seghesios had an interest in the company. From my father's recollection, the initial capital was \$240,000. Their assets were the vineyards and the winery at Asti. In 1924 they received from California Wine Association the right to use the Italian Swiss Colony brands. The Seghesios sold their interest in 1933 to a gentleman by the name of A. J. Merle.

Teiser: So there was continuity, really, at least in grape products and vineyards?

Rossi: Oh, yes. Following Prohibition, during which Mr. Andrea Sbarboro had died (in 1923), his son, Alfred Sbarboro, stayed in touch with the company. The Sbarboros made an investment in the Italian Swiss Colony in the 1930s and, as a vice president of the Bank of America, Alfred had an interest as a banker in the Italian Swiss Colony. On Alfred's retirement from the bank in the 1940s, he joined the executive staff at Italian Swiss Colony.

At the same time there was a man by the name of Bartolomeo Coppo, who was one of the first cellarmasters at the winery here, who was a very devoted and loyal employee for many, many years. Two of his sons, Joe and Louis, devoted their working lives largely to Italian Swiss Colony.

Teiser: Was Bartolomeo a particularly talented man?

Rossi: He was an intelligent person. His son Joe tells me he went to England from Italy to learn something about the selling of wine. Apparently they owned their own winery in Italy, and so he came here to the United States with some experience. He was a good taster. I remember him. He and Enrico Prati really made the blends. And he was the type of person who, just in

deference to my father, when I took an interest in winemaking, was most helpful to me. $^{\mbox{\scriptsize l}}$

Teiser: What kind of a person was Enrico Prati?

Rossi: Enrico Prati was a very dynamic person. He was hard-driving, and I would say, having emigrated from Italy with little of anything, he really started from scratch and had to work very hard to accomplish what he was able to do in his lifetime. From his start in 1909 he was associated with the vineyard, so he knew the vineyard operation. Then in 1920, after the formation of Asti Grape Products Company, he took charge of the plant. He was a good detail man, and there was no question about who was giving the instruction; he was giving orders, which was fine. He was a very good family man, devoted to his wife and children.

When I first started in the business in 1949, and even before, he would drive to Asti from San Francisco and back in the same day, every day. It's a chore today, but in those days it was even more of a chore because we didn't have the freeways. If he had to go down to Clovis, once the company had bought [the winery at] Clovis, he'd start out a little bit earlier and go all the way down to Clovis and come back to Asti in the same day. I don't see how he did it.

I remember one time he asked my father why he and Bob tied up with Prati. His answer was so typical of him, yet so straightforward: "We decided we didn't want him working against us, so we decided we'd have him work with us." That's just about the way those things worked. [laughter]² A typical answer for him. You didn't need six pages of personnel questionnaires to answer that one.

Teiser: Is it Prati sons and grandchildren who are with Martini & Prati?

Rossi: In addition to Edward Prati and Elmo Martini, Ed's son, Edward R. Prati, and Elmo's two sons, Jim and Tom, are working for the winery.

In 1951 Enrico Prati and Elmo Martini leased the W. A. Taylor Winery, a two-million gallon plant near Forestville. After Enrico died in 1952, Edward Prati and Elmo Martini bought the winery. They were in the bulk wine business and bottled

¹For further recollections of Bartolomeo Coppo, see pp. 24-25.

²For additional recollections of Enrico Prati, see pp. 17-18 and 21-22.

under both the Fountain Grove label and the Martini & Pratilabel.

Teiser: Let's go back into your family on the other side. Your other grandfather was Justinian Caire, but did you say you had no special relationship with his vineyard or his interest in wine?

Rossi: Justinian Caire, as I understand it, came around the Horn in the mid-nineteenth century and established a hardware store in San Francisco to serve the miners who were coming out for the gold rush. His initial investment in Santa Cruz Island in the Channel Islands was in 1869. He was a major stockholder in 1880. Under his direction a vineyard and a winery was established. Wine was made and sold--

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Teiser: Your father and his brother went to Santa Cruz Island?

Rossi: Yes, for vacations. It was something more than a Boy Scout trip, because it had fairly rough facilities. I guess they had wild pigs or boars on the island, and they rode horses. You had to get to the island through fairly rough seas; the water is choppy through the Channel Islands of Santa Monica. I suppose a boat came over once a week with supplies for the people who were running sheep there on the island, or whatever their activities were. I remember him speaking fondly of his summers, however frequently he went there as a boy.

Teiser: Was it through that connection that you happened to have an interest in learning French as a child?

Rossi: No, no. Because as a boy my father spoke both French and Italian before he spoke English. As a matter of fact, when he went to the first grade at St. Brigid's in San Francisco, he couldn't speak English. So they called him Froggy because he couldn't speak English. But the fact was that all his life he spoke fluent French and fluent Italian; he just cherished the ability to speak fluently in three languages. My mother spoke French fluently.

We had a family reunion over the weekend, and I should send you a copy of the article that appeared in the <u>Press Democrat</u>. There were 130 of us that met; we had a family reunion from all over California at the family home up here at Asti. The central figure was Father Carlo Rossi, who is a Jesuit at the University of San Francisco. He has a Doctor's degree in romance languages,

and speaks six languages quite fluently. So all of the Rossis were quite fluent in languages.

Teiser: You have an aunt who taught French, too?

Rossi: I have two aunts who went into the Sacred Heart order. One was [A.] Olga, who taught languages. Aimée, the elder of the two sisters, had a degree in education and she started the University of San Diego, which is a private school. She was a little bit of a thing, but she was very enthusiastic and had a winning way. Her enthusiasm was meant for leadership, and people found it hard to refuse her, I guess, when she wanted donations or something.

Teiser: Are there others in that generation who are still alive?

Rossi: I have three aunts who are still alive, of my dad's sisters. One was not able to be here. Albina [Rossi] Wall, who is the mother of five boys, was here, and four of her five sons were here. Eleanor [Rossi] O'Donnell has two daughters, one in San Diego and the other down the Peninsula, and they were here with some of their children. So we had a very good party.

Teiser: What sort of person was your uncle, Robert Rossi? Your father spoke of him in his interview, but not at any length.

Rossi: [pause] Well, of course he and my father were very close, and there was just complete confidence and loyalty between the two. From a personality point of view, I would say that perhaps my father was a little more serious, and my uncle was a little less serious. To put it another way, everything else considered--not to say anything against my father, but to say something pro Robert--Robert had a better sense of humor. That may have developed over the years, since he married a lady by the name of Nellie Mahoney who had a marvelous sense of humor. She probably fine-tuned his sense of humor in a hurry.

Teiser: His son is Robert?

Rossi: His son is Robert, and he has another son, Richard. And then there was a daughter, Mary Elena, who died. She married a doctor. Her husband died very young, and then Elena died several years ago, in 1983. So there are just the two sons left.

Teiser: The son, Robert, is now with Heublein, is that right?

¹Mrs. Wall died December 26, 1988.

Rossi: Right. Our careers paralleled one another. He is some four years older than I. Initially involved in operations, in more recent times he has been concerned with Heublein Wine's grape and wine acquisition programs.

Teiser: Is Richard in the wine business?

Rossi: No. He went with his father-in-law's firm, Binks Manufacturing. They manufacture paint-spray guns and other equipment; their headquarters are in Chicago.

Early Experience with Wine

Teiser: I asked you earlier if you had always had wine at home as a youngster, and you told the story about your father--

Rossi: Where my father had given me a taste test about red and white wine? I was just a little shaver, and he was overjoyed when I could tell the difference. [laughter]

Teiser: How old were you?

Rossi: I think I was probably ten or twelve.

Teiser: Did he make you close your eyes?

Rossi: He made me close my eyes, and he gave me a glass of red wine and a glass of white wine. And I was able to tell the difference. He was always naturally enthusiastic, but, gee, he really got excited over that. As youngsters, as my sister and I grew up, we'd get just a few more drops of red wine with the water than we had the previous year. From the time we were seven or eight years old we always had a little bit of red wine in the water, with the idea of moderation. We always respected that. As a matter of fact, the whole family did that. It was the same thing with my cousins.

Teiser: Were you as kids encouraged to go into the family wine business?

Rossi: Not really. I think that my mother, having lived through the difficulties my father had, felt that maybe going into the medical profession would be a better life in many ways: one has his own profession, a degree of independence, and I guess it was financially rewarding then (and I guess it's still rewarding now). But even more than that, one has an opportunity of doing

something for others. In my mother's family there had been doctors on the Brandt side. They were Dutch people who had gone to England, and then from England they went out to the Azores. Some of the family not only stayed on the Azores but were also on the island of Madeira.

George Henry Brandt, a great grandfather, was born in the Azores and became a doctor. He married Amie Ellicot, who came to Madeira in 1821 from England. He established vineyards and a winery during the mid-nineteenth century. With his death the venture went to other hands. I would like to look into the history of this wine endeavor from my mother's side of the family.

To turn back to George Henry Brandt, the doctor, he came to Lisbon to work there during the yellow fever epidemic of 1858, at the risk of his own life, for which he was given a medal by Pedro V, the King of Portugal. The interesting thing was that one of the ancestors several generations back in the Fonseca family (the people who are associated with Lancers¹; as a matter of fact, the Fonseca family still owns José María de la Fonseca Successors) received the same award from King Pedro V within two or three years of my great-grandfather's receiving it. Antonio Grillez, who is the general manager there at Lancers, was amazed that one of his forebears and one of my forebears had received exactly the same award from the same king within two or three years of each other. It's a small world; an amazing coincidence.

The Winery at Asti

Rossi: I think it's important for people to realize that this winery, which has a capacity of some 25,000 tons, which is a large capacity for grapes in terms of this area, was really built that way to handle those tons; they handled that kind of tonnage through the 1960s and 1970s, but they also handled very large tonnage almost immediately after Prohibition. After Prohibition, of course, the predominant class of wines that was being sold was the dessert wines, fortified wines. So Italian Swiss Colony had its base here at Asti, in contrast to other large wineries in the business which were essentially San Joaquin Valley-based and who came to the North Coast for whatever premium wines they

 $^{^{1}}$ Edmund A. Rossi, Jr., has worked with Lancers as a consultant for a number of years.

needed from Sonoma, Mendocino, and Napa counties. As a matter of fact, they brought the grapes from the Valley up here to process them.

So this plant crushed grapes not only for table winemaking, but also crushed grapes for dessert winemaking. I can show you the sign, "Sherry Cookers," over the door of the building where we used to bake sherries. And we used to have a large still to make neutral grape spirits to fortify, and we had another area where we had set aside tanks specifically to make vermouth extracts, as well as dry and sweet vermouth. So this was a plant that was totally integrated for the whole wine business, right here. That's what its mission was.

Then it was only later, as business was reestablished to avoid the cost of hauling grapes up from the San Joaquin Valley, that Italian Swiss Colony made the decision to buy the winery in Clovis from the Tarpey family. Dessert wines were then made at Clovis.

Teiser: About when was that?

Rossi: I believe it was in 1940, and before they sold to the National Distillers [Corporation] in 1942. I believe it was a year or two prior to that that National had bought Shewan-Jones Winery at Lodi.

> To meet the need for grapes for dessert wine needed for sales after Repeal, the Italian Swiss Colony people made a deal with Di Giorgio for so many gallons of dessert wine; they gave him an equity share in the business.

Teiser: From what I have learned, I think the arrangement with Di Giorgio began just before Repeal, when everybody could see Repeal coming. There's a printed program in the Huntington Library that was issued at the time of the dedication of a plaque in honor or memory of Joseph Di Giorgio, at the town of Di Giorgio. was a banquet, and a number of people, including your father, That arrangement began when Joseph Di Giorgio was driving past Asti from Ukiah. He looked over and saw this winery, and said to his driver to stop. And he came and asked, in short, do you want some grapes? They said yes, and so the arrangement began by which he sent grapes here. Somehow he was paid for them in stock, and so the longer he continued the more stock he owned. He continued until he built his own winery. I think that's the way the story went.

Rossi: That's interesting.



An early sunny morning view of one of the vineyards surrounding the Astiwinery, winter 1988.



Teiser: That's from several sources, including an interview with two Di Giorgio nephews, Joseph A. and Robert, cousins. Joseph Di Giorgio, Sr., had more grapes than he knew what to do with. He had an arrangement with a winery, and something went wrong with it. That was the story.

Rossi: Well, that's fairly typical of the way my father thought, you see, being fairly conservative on the financing. He'd rather give away a portion of the equity and then have a stronger capital base to work on.

Some time in the early 1930s, if not in the late 1920s, my aunts put some money into the company. There was Esther, who was the elder, and Beatrice, Albina, and Eleanor. I think they all put money in. They bought a minor interest.

Teiser: What were their married names?

Rossi: Albina Wall, Esther Rossi (she never married), Eleanor O'Donnell, and Beatrice Torrens.

The Sale to National Distillers, 1942

Teiser: When National Distillers came shopping to buy in California, how did they happen to light upon Italian Swiss, and how did Italian Swiss happen to sell?

Rossi: I think they had had an interest in the wine business, because they had already bought Shewan-Jones. Schenley, of course, had bought Roma, and Seagrams had bought Paul Masson. I'm not certain about that sequence--when Seagrams bought Paul Masson; it could have been later.²

Teiser: I think National's purchase of Shewan-Jones was really the first.

¹See Robert and Joseph A. Di Giorgio, <u>The Di Giorgios: From Fruit Merchants to Corporate Innovators</u>, an oral history interview conducted 1983, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1986.

 $^{^2{\}rm Seagrams}$ bought an interest in Paul Masson Vineyards in 1943, controlling interest in 1950.

Rossi: Then I think the Cellas saw that that was a good chance to sell Roma to Schenley, and then they turned around and established their own winery two years later.

My father was fifty-six at that point, in 1942 [when Italian Swiss Colony was sold to National Distillers]. I remember my uncle saying, "Well, the time to sell something is when you have a buyer, not when you don't have a buyer." That's pretty simple, but if you think about it for a moment, it makes a lot of sense. So that was a dominating factor in the issue, plus the fact that as the wine business was growing it became more and more capital intensive.

Finally, there were stockholders in the company--my aunts, my father's sisters--who had equity in the company. I think he and his brother, Robert, felt it was an opportunity for them to get their share out and into cash so they could reinvest it in something that was more marketable and would have a dependable return on their investment, so that they could realize a more pleasant lifestyle. The Sbarboro family had an investment interest dating from the Repeal years which they may have desired cashed out. Di Giorgio, with 37.5 percent interest, was a factor. Lastly, they sold because the Rossi brothers, E. Prati, and A. J. Merle wanted to sell.

When National Distillers approached Italian Swiss Colony with the idea of selling, it was my father and Alfred Sbarboro who went back and negotiated with National Distillers on the sale of Italian Swiss Colony to National Distillers. My father took Alfred with him because he was a good financial man who knew the business. I think between the two of them they came out with a better price than they would otherwise have. I

They decided they would continue to work for National Distillers on a day-to-day basis, not with a contract but on a handshake. Because I know my father, and very likely Robert, felt that, well, if they weren't getting along, the contract would be useless. They didn't want to have a contract and then collect on the contract for not having worked. They wanted it clean. If they got along, they wanted to work with them; if they didn't get along, they wanted to be free to walk out.

That lasted from 1942 to 1947. There was just a year or a little more than a year between the date that my father left the

¹Dianna Paoli Gumina, <u>The Italians of San Francisco</u>, mentioned the price at \$3,673,000.

company and the date that I joined. I remember, just as a side story that father told me, that the people from National came out and mentioned to my father that now that he was the president of the company he was going to get such-and-such a salary, and that Enrico Prati and father's brother, Robert, were going to get another salary, somewhat less, because they were vice-presidents. My father said, "No, that's not the way it's going to be. We've always been partners, and we're partners now, and we will all have the same salary." That was the way he wanted it to be. That's the way he felt about his partners.

Teiser: Was your uncle a good executive, a good business manager?

Rossi: Oh, yes, the best. He knew the entire business. He'd take a sales trip East, and he'd call my father at home and they'd be screaming at each other over the telephone. I remember my mother saying, "I don't understand why you have to yell at each other; you can still hear each other over the telephone." It was the Italian temperament; as they got more excitable the voices became louder. But they were both good executives and they understood each other, and they got along very well.

And they had a philosophy between the three of them. If there was a project that came up that they all endorsed, they would go on it. If there was one who was reticent, they wouldn't. It was a fairly good philosophy, because it meant that one could queer an idea for the three. They might miss an opportunity, but, on the other hand, if they took a risk on a certain venture and they had all gone for it, then the responsibility would be divided three ways, for better or worse.

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Teiser: You told a story earlier about Louis Martini giving a talk--in relation to Italians shouting at each other--

Rossi: I remember they used to have these Sonoma County winegrowers' meetings up here, and sometimes the Sonoma County group would meet with the Napa County group. Maybe it was just the Sonoma County group, but in any case Louis Martini was the guest speaker. He had started down in Kingsburg, and he was talking about the days during Prohibition, I suppose when there was a certain amount of wine made and sold illegally. He made a comment that implied that Italian Swiss was involved in this sort of an operation, if nothing more than in an ancillary way. There must have been 150 in the room, and my father stood up like a bolt and said, "No, Louie, you got it all wrong. We weren't involved in that kind of an operation at all." And the two of

them stood and argued, you know, as if they were standing on a street in Rome and there was nobody else in the room. Everybody else was kind of astounded. After they had their argument, they had a glass of red wine and everybody was happy; everything cooled off and they were as good friends after the meeting as they were before.

There were some things where my dad would call the shot right then. He wasn't going to let five seconds go by before he got that one organized. The two of them were funny, because they were pretty much the same vintage and pretty much the same temperament. I would say Louis was a little bit more volatile than my father. But if you stirred my father the wrong way, he was volatile, too, particularly on any issues of right or wrong-moral issues. I used to tease him that the only time I ever saw him drive fast was on the way to church. [laughter]

Teiser: Did you work in the winery as a youngster, before you came to work there as an adult?

Rossi: Before I started to work in 1949, I worked in the laboratory with Lyman Cash, I guess for maybe a couple of summers.

Teiser: What was he like?

Lyman was a good chemist. He was a very good technician. He was Rossi: amazingly productive in running analyses, and he himself had developed what has been used all these years as the Cash modification of a volatile acid still. I guess there have been thousands of stills made according to his modification. I think he was in the Navy during the war. He wasn't married when I knew him, and I always had the impression that he was sort of a lonely person. But he was good to me and helpful to me. He was one of those persons who could be aggressive if people hit him the wrong way, simply because I think he had a little bit of a chip on his shoulder. But if you approached him right and instead of telling him to do something asked him to help you, there was no end to what he would do. I remember people sort of scoffed when he went to Gallo, and they said he wouldn't last there for three months. And he was with Gallo for years and turned out to be one of the most loyal employees they ever had.

Working for National Distillers, 1949-1953

Teiser: When you came out of college you went directly to work at National Distillers?

Yes, in San Francisco. When I first came to Italian Swiss Colony Rossi: it was in February 1949, and I worked at 781 Beach Street, which is across from Aquatic Park. John R. Deane, who I believe had been a two-star general during the war, was the one who hired me. He was the one who took my father's place as the president of the company. The man who was in charge of production was Enrico Prati, because Enrico Prati stayed on with the company after my father and uncle left. The vice-president in charge of sales was Bruno (B. C.) Solari, more commonly known as Larry Solari. premium brand at that time was called the Asti brand, with several generic labels and several varietal labels. The Asti brand wines were under the responsibility of Ray Giordano. At the same time, another man from my father's era, Bernard Davitto. who lived in Sonoma County near the town of Sonoma (in fact, he was a friend of August Sebastiani), would come down once a week and have lunch with General Deane. He acted as a consultant to the winery, or a consultant to Deane.

My first boss was Elbert [M.] Brown, who was a top man in the business. He was a good wine taster and had a strong academic background. He used to think academics, and he had a way of applying chemistry to winemaking. He was very capable on yield numbers--gallons of juice per ton of grapes, and pounds of skins and pounds of stems and pounds of seeds per ton of grapes, by way of determining what the expected yields could be. He had done a lot of that kind of work. I would say he was as advanced as anybody in the business in that area of technology.

Teiser: What kind of man was he personally?

Rossi: Personally I think he was a little bit shy. He and Enrico Prati were very different people, and they didn't always hit it off all that well. But once they agreed on an idea, and Prati could get Brown's academic thinking on something, and Brown could put his thinking to some practical idea that Prati wanted to put together, then the two of them were unbeatable. They could bring different backgrounds and different views to the same project. Prati was always going off on something new or something

¹For further recollections of John R. Deane, see pages 22-24.

different; he was very imaginative. On the other hand, Elbert was a top winemaker.

Anyway, when I first went to Italian Swiss Colony I was there on Beach Street with Elbert Brown, and we acted as a quality control center. We'd have samples sent in of a current blend, a proposed blend or two, and we'd give the okay on which blend we wanted the winemakers to make. When it was made they'd send another sample in.

We had a small laboratory there where we could do some practical research projects. I recall that we did quite an extensive study with dry and sweet vermouths. Another project was to refine the Hubach test which was used as a control for blue fining and later Cufex in wines.

Back to Enrico Prati, he was the first person to put commercial vineyards in the Anderson Valley. In 1946 Italian Swiss Colony established a two-hundred-acre vineyard and had contracted for another one hundred acres. The project was abandoned in the early 1950s because the grapes didn't sugar up as much as expected. We were ahead of our time; early ripening varieties and sparkling wine making had not yet made their mark.

He wasn't highly educated, you might say, from a book point of view, but he was very intelligent and had an extraordinary amount of drive. So he would just try these ideas in a practical way. For example, Enrico developed an invention on which I believe he wound up getting a patent, which had to do with putting the cases in railroad cars and then shoring them up or arranging them in such a way that there would be less breakage. It was not unusual for him to come up and see Elbert Brown and say, "Brown, I have an idea. Let's do this." Brown's initial reaction was that it was crazy, and then he'd get to thinking about it. Though they were a bit competitive, they were the kind that if they put their heads together they would make a tremendous team, because Brown had the technical knowledge and Prati had the practical knowledge and tremendous drive to get things done.

The man who used to come out from New York was Ira Siphert, who was the chief chemist for National Distillers. He was great on manuals of analytical methods, sanitation, production manuals, and all that sort of thing, which was valuable. So we would go over these manuals to be sure that our analytical procedures were okay. But it tended to emphasize that the people in the laboratories were more chemists than winemakers. National Distillers, at least at that time, were not tuned in to

winemakers; they were tuned in to chemists. We had to try to break away from that attitude in the industry.

As a matter of fact, we did, because the truth of the matter was that in 1950 the American Society of Enologists was formed, with the idea of giving more status to the winemakers. Up to that point the people who were running the cellars were really the cellar foremen, and if the cellar foreman moved a wine from tank A to tank B, he'd take a sample from before and after and run it into the laboratory and ask for an analysis. The chemist was there just to give them the results. But the decisions about what to do with the wine really came from the cellar foreman, who might have been wonderful from a practical experience point of view, but who likely was not a trained winemaker.

So the transition had to come when the trained people from Davis, and subsequently Fresno State, came in and said what they wanted to do with the wine. Then they would issue instructions as to what should be done with the wine, and the cellar foreman would see that it got done. And the chemist, who was a lab technician, would run the analysis. University-trained men had to be something more than bench analysts. Winemakers had to take charge. They needed professional status.

Actually, this morning I was reading about how Charlie [Charles] Holden, who was the first president of the American Society of Enologists, initiated all of that. He had been associated with the brewing industry, and the brewing industry had put out a very good magazine called something like Wallerstein Laboratory Communications. It had excellent articles, and they were done on a technical basis for the whole industry. Charlie foresaw that this was what the wine industry needed. The idea of having trade secrets to the exclusion of good technical communication wasn't really the broad and best way of doing things to advance an industry.

Teiser: You've seen a lot of changes.

Rossi: Yes. That took us into National Distillers until about 1953.

Most of the wines were dessert wines, fortified wines, in the early 1950s. Table wines we had were from North Coast for Italian Swiss Colony brands, and from the Lodi area for Shewan-Jones brands. At that time the plant people that I worked with during my years under National Distillers, in addition to Elbert

¹For additional recollections of the formation of the American Society of Enologists, see p. 25.

Brown and Lyman Cash, were Myron Nightingale at Lodi; Elie Skofis, my cousin Bob Rossi, and Russ Overby were all at Clovis; Ed Prati, Joe Aligretti, and Doug Davis were at Asti. Paul Heck was first at Lodi and then at Asti.

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Rossi: General Deane was appointed president in 1946. My father and my uncle had pretty much of a five-year understanding with National. After General Deane came in they stayed about another year.

I remember Alfred Sbarboro was fairly short in stature, but he was lean and had an enormous amount of energy. He was really in charge of what would be described today as capital projects. If we were spending and investing money in one of the wineries, he'd go out and see how it was coming and maybe do some of the negotiation of the contracts and that sort of thing. It wasn't that Enrico Prati couldn't do it; there's just so much a person can do with his time. So, as I recall, that's what Alfred did, and they were a good team.

Getting back to my father for a moment, he was in charge of the bookkeeping out here. That's kind of a simple way of putting it, but he was in charge of the company's finances, keeping track of them. When one of the top finance people came out from National Distillers to see his books, he was really amazed that they were so accurate. The interesting point is that it had been my father who had introduced a system of LIFO--last in, first out accounting--which he considered to be very appropriate for a commodity business. Because if the last wine in would be at a low price, the first wine out would be at a low price; if the last wine in would be at a high price, the first wine out would be at a high price. This method minimized distortions between the evaluation of inventory and the current price. LIFO system was in contrast to LIFO, where the first wine in was the first out.

One of the executives at National Distillers, Mr. Tom Balfe, brought LIFO back to National Distillers from Italian Swiss Colony, and I believe he introduced it to them. I'm not quite sure what he expected to see out here in California, but in any case he found the books were kept right. My dad was very conscientious about it.

I have at home some records of the inventory that they kept. They kept an inventory down to the horses, and they'd show the horses' age. [laughs] At the end of the year they'd say, "Tommy, aged forty, died last year," and they would write his

value off--\$25 or something, that was gone. I say that facetiously, but the fact is that it showed that they didn't miss too much, really.

Those are two points I wanted to make about my father and about Alfred. Enrico appeared on the Italian Swiss Colony scene in 1909. He was out in the vineyard; he turned out to be the vineyard foreman for years. I think my father was the actual manager of the winery when they sold to California Wine Association in 1915, following my grandfather's death in 1911. The fact is that in 1920 my father and uncle and Enrico formed this partnership and bought Italian Swiss Colony--this plant--and the Seghesios were involved. I'm not sure; perhaps the Seghesios bought Italian Swiss Colony with Prati first, and then my father and uncle bought their share from them.

Teiser: You told a story one day when I was here about Prati calling you on the phone--

Rossi: Yes. Like a lot of Italians, he would put an "h" in front of his vowels, and he used to call me "Hed." If he asked you a question and you answered the truth, you were fine, but if you bent it a little bit you were in trouble right away. He'd ask me to figure out what I thought the price of a wine should be and then he'd call up half an hour later and ask, "Hed, do you have the answer?" Or, "You will bring me the answer?" I'd say, "Mr. Prati, I don't have the answer yet." "That's all right, Hed, you bring it down when you have it." But if I told him that I would have the answer in five minutes and I knew I wouldn't have it for an hour, I was in huge trouble, because six minutes later he'd call up and ask, "Hed, where are you?" [laughs]

Teiser: Was he a good wine man?

Rossi: Oh, yes. In those days we used to buy a lot of wines from wineries up and around, and he'd horse-trade with the winery owner, you know. Then he'd say, "Send samples." He'd take the sample and we would taste the wine. From the degree of redness in the foam you could pretty much tell how dark the color was. But if the color was dark, he'd say to me, "Hed, you will run an SO2?" If the SO2 was low, that would make the color appear darker. Say you're looking for a level of SO2 that would be maybe twenty-five or thirty parts free, with a hundred parts per million total, and the SO2 was almost nil free and maybe fifty parts per million total, the wine's going to appear darker. So before he'd buy the wine just on the color of the foam, he'd always say, "Hed, you will run the SO2?" And I'd say, "Yes sir, Mr. Prati," and run the SO2.

Then I'd call him up, and he'd say thank you. If the $\rm SO_2$ was low, he'd say, "Hed, that's not the real color; we'll offer them ten cents less." [laughs] Then the fellow on the other end of the phone would scream in agony. Prati would put the phone down and say, "Hed, you will see, he will call me back and come to our price."

He was always very good to me. It was obviously out of affection for my father.

So that is a little bit about Enrico. He had a little bit of a difficult transition from the <u>padrone</u> system to the more modern system. He didn't delegate too well, and that was hard for him. But as he got into dealing with more educated people and winemakers, then he would respect their opinions.

Teiser: It was earlier on a very feudal system here at Asti, was it not? As much as it was an attempt to be cooperative, it sounds as if the Sbarboros and perhaps even your grandfather's attitudes were that they were taking care of people rather than that they were sharing responsibility. So whatever Prati was reflecting was perhaps inherited.

Rossi: Yes, I think that's true. The problem with the system was that if a man or his wife was in poor health and the <u>padrone</u> said, "I'll take care of you," that's great. But then supposing the <u>padrone</u> passes on, dies? You don't know what promises were made to the thirty- or forty-year-old worker, and so where does that leave the worker, unless that's perpetuated? It had some inherent weaknesses. On the other hand, the dictator system is marvelous and it's the best of everything, assuming that the dictator is a wonderful person. [laughs]

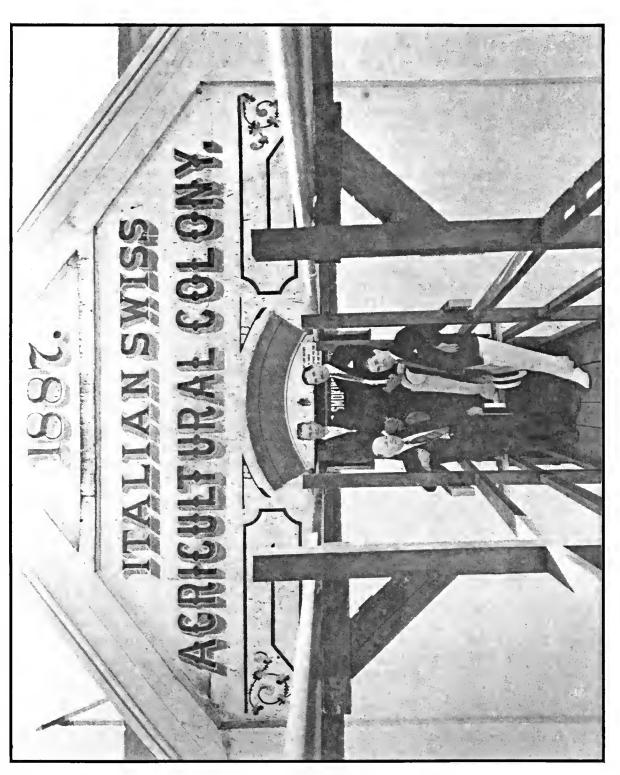
So Prati worked after my father and uncle left the company, as the vice-president in charge of production, with General Deane. Shortly after General Deane came in he brought over Bruno [C.] Solari as the vice-president in charge of sales. So the triumvirate when I first joined the company were Deane, Prati, and Solari. And on the technical end, [Elbert M.] Brown.

Teiser: That was quite a bunch.

Rossi: Yes, a good team.

Teiser: Tell a little about General Deane.

Rossi: General Deane apparently was a very, very good administrator. I think he was very just and very honest. But he didn't know the



connecting the original wine celler with a newer concrete building in the 1940s. At the rear are Enrico Prati and Robert Rossi; at the front, Alfred Sbarboro and Edmund A Rossi, Sr. Four men prominent in the history of the Italian Swiss Colony winery posed on a bridge



wine business, and he tended to be a little bit aloof from having been a two-star general--which didn't make him any less human, but he tended to be a little bit distant. I remember once when I was in San Francisco he called me up from his office down below and said, "Ed, are you there?" I said, "Yes, this is Ed Rossi." He said, "Well, I'm looking for Ed Prati." There was also another fellow there in purchasing named Ed Vallejo, and I made the comment, "We have too many Eds." There was just a dead silence on the other end of the phone, except to imply, "We can take care of that one." It was kind of a bad put-down. The next day he came around and put his arm around my shoulders and everything was fine. He realized that he had been unnecessarily caustic.

Those things can happen. But he was a good administrator, and I think he saw the needs. One of the things he saw the need for was an adequate wine inventory control. So he put me in charge of that, along with Elbert Brown. Wine inventory control was really my baby, and it was a difficult task because I was just one and I was trying to keep the records myself, or else I had a young lady there doing that. But it was sort of the forerunner of what we're doing today, and I think we were among the first to do that. He was perceptive enough to see that from a business point of view we had an exceptionally large proportion of our assets tied up in wines.

In those days maybe three quarters of our wines were dessert wines and one quarter were table wines. If you had a mix of dessert wines that was lopsided, then you wound up with a fairly significant amount of money that instead of being used up that year would have to wait for the following year to be liquidated. In the meantime it was inefficient financially to be carrying inventory that you didn't need. So it was important to always know pretty much where you were in relation to sales, which is the same thing today. If we weren't in balance, then we had to get in balance. That's standard operating procedure today.

But I think he was one of the first who actually effected a wine inventory control. That doesn't mean to say that the other wineries didn't pretty much do the same thing. But he saw that need and I think it's fair to say that he was one of the first who at least formally recognized that need.

General Deane was a very pleasant man. Bernard Davitto, who was in the original Gambarelli & Davitto from New York, had come out to retire in Sonoma. Bernard was very perceptive; he found all kinds of opportunities. He always wanted to go back into the wine business out in California because he foresaw tremendous

opportunities. The fact of the matter is, he was more aggressive in his views than my father and uncles were, because they were here and he had come over from Italy and saw what tremendous opportunities there were. He always wanted to go back into the business, but I think he had a son and a daughter who were too young to do it. If either Bob Rossi or myself would have been inclined, we could have gone into business with him. As it turned out, he would have been very right, because from 1950 to now--if a person had gone into the wine business in 1950, he would have done very well. That was sort of an aside.

Bernard would come down and have lunch with Deane once a week and was sort of his consultant. He'd keep his ear to the ground for whatever was going on in the wine business. He was a crony of August Sebastiani, so he talked with Sebastiani and some of his other friends up there. Then he'd come down and chitchat with Deane, they'd have lunch together, and that was it. That was sort of the way Deane would operate. He would come up and ask my views of something, or he'd ask Prati's views about something, or he'd ask Davitto's views about something--sort of intelligence gathering, which is a carryover from the Army. Then he'd make his decision. I'd say he was a good administrator. He once said that getting along in the wine business was considerably more difficult than dealing with the Russians. [laughs]

Teiser: What was Bartolomeo Coppo like?

Rossi: I talked to his son the other day, who is into his eighties now. Bartolomeo came to San Francisco in 1919 and worked for my father or uncle. Then he came to Asti in 1921 and was with the company until he died in 1956. So there was Bartolomeo and then there were three children: there was Joe, who worked in the bottling department here; Louis, who was considerably younger, who worked in the cellar; and a sister, Lena, who married Frank Seghesio. Frank was a brother of Eugene and Arthur Seghesio, Eda Prati (Enrico's wife), and Inez Curnow.

Apparently the family had had a winery and vineyards in Italy, and Bartolomeo himself apparently went to a wine sales school in London. He was extraordinarily devoted and a good wine man. His tasting was good and his blends were good. I learned a lot from him. His loyalty was just totally unswerving.

Teiser: What was his position here?

Rossi: He was in charge of the cellar. Which brings up a kind of an interesting point: I joined the company in 1949, and in 1950 and up until the point that Petri bought it, we were under National

Distillers. Those of us who were in the technical end of the business were not all that readily referred to as winemakers; we were referred to as chemists. And that was sort of a carryover from National Distillers, because the National Distillers' chief chemist would come out and we'd have meetings with him and Elbert Brown--maybe myself, Lyman Cash, and Myron Nightingale. It was sort of a meeting of the chemists. Other people who didn't have that influence from National Distillers would be more inclined to call these technical people winemakers. Although I notice in some of the notes with Petri in 1950 or '51, Jim Gott, before he was the plant manager at Escalon, was designated chief chemist-winemaker. So it was sort of the concept of the chemist.

This ties in, in a certain sense, to the formation of the American Society of Enologists in 1950, which was promulgated by Charlie Holden. It was the American Society of Enologists in those days, and was subsequently changed to the American Society for Enology and Viticulture. The idea was to provide a forum for effective communication and exchange of ideas among the technical people in the wine industry on a scientific basis rather than just an informal exchange of ideas, which we had at the Technical Advisory Committee. Which was okay. They weren't really scientifically written papers, where you'd research the literature and then put together your research protocol, do the research protocol, and then report it. You'd report your findings in light of what had been done before. So they wanted to provide that kind of a forum, and of course the University of California people were delighted because it gave them a place to publish their scientific papers.

But the other thing was to promote the status of winemakers, or enologists, in the industry, so it did that. The Davis class of 1948 were Ernest Digardi, Guy Baldwin, Joe Stillman, [Joseph] Heitz, and myself and Ken Kew. Ken became associated with Martin Ray. We were one of the first enology classes post-World War II. The famous class pre-World War II, that you hear so much about, was Myron Nightingale, Charlie Crawford, Ze'ev Halperin, and Aram Ohanesian. I don't think they were a Davis class; I think they were a Berkeley class, perhaps under [Maynard] Joslyn. I know Joslyn never left Berkeley.

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The Many Owners of Italian Swiss Colony [Interview 2: 23 February 1988]##

Teiser: I wonder if we can start today by recapitulating the ownership of Italian Swiss Colony from Repeal on.

Rossi: It was in 1920 that my father and Robert and Enrico Prati incorporated Asti Grape Products Company. One of the major owners at that time was also the Seghesio family. Of course they incorporated with the idea of selling grapes and grape concentrate for home winemaking, keeping the grapes that we had up here intact--the good quality grapes. My understanding was that during the Prohibition period the grape acreage actually grew. (I find myself referring more and more often to that Sonoma County history that I wrote. The numbers seem to continue to be helpful.) In 1918 there were 16,000 acres of grapes in Sonoma County, and by 1930 the grape acreage in Sonoma County had increased to 21,000 acres. The fact is that the home winemaking was a boon for the grape growers; they just sold the grapes.

In 1941 Italian Swiss Colony bought the Clovis winery from the Tarpey family. There are some histories written about Italian Swiss Colony that date the acquisition of the Clovis winery after 1942, which was the date that National Distillers bought Italian Swiss. This is not so.

Teiser: I looked at a clipping this morning that told of Italian Swiss Colony enlarging that winery in 1941 and '42.

Rossi: Exactly.

Teiser: The Clovis winery--was it called La Paloma?

Rossi: Yes. You may recall that Paul Tarpey was a wine broker, and he was associated with Bob Salles in the wine brokerage business. When Paul Tarpey died, Bob Salles took it over. As a matter of fact, Bob Salles lived in Marin and was friendly with Joe Ciatti and Dante Bagnani. So when Bob died, Claire (Mrs. Salles, who was a niece of Paul Tarpey) had his business on her hands, which she sold to Ciatti and Bagnani. So the business Joe Ciatti has today [Joseph W. Ciatti Company] originated with Tarpey and Bob Salles.

¹See Appendix II, "A Historical Perspective."

National Distillers bought Shewan-Jones in 1939, and they subsequently bought Italian Swiss Colony in 1942. Many people wonder how was it that Chateau Lejon and Lejon and Hartley brands got into the Italian Swiss Colony fold of products. Well, they got in because when they bought Italian Swiss Colony, Shewan-Jones was the main wine company that National Distillers owned. The operation and the coordination of production and sales activities was then dominated by Italian Swiss Colony people. Of course Italian Swiss Colony had their own brands: they had Italian Swiss Colony Gold Medal, Italian Swiss Colony Black Label Private Reserve Stock, and they had an Asti brand, which was a premium brand of some varietals and generics. At the same time they managed these brands that had come in from Shewan-Jones.

Teiser: Do you know the background of Shewan-Jones?

Rossi: I don't know who Shewan¹ was, but Mr. Lee Jones was a grape grower turned winemaker up there. I think he was a fairly bright person, a shrewd businessman. They had a good winery there. I know that after 1949 and 1950 they had some wine left over that was essentially lees. This is an amusing story: they said they made the brandy out of lees. Of course, in the lees of the wine one accumulates a lot of the fatty acids that esterify from the yeast. That is what forms a cognac oil, so the lees brandy was always high in cognac oil character.

In any case, they had this wine and they decided they would make brandy of it. They made the brandy out of it, but since the brandy had to be named lees brandy because it was made out of something less than the best material, the government regulations insisted that they put lees brandy on the label. Well, they had the label attractively made up with lees brandy on it. The amusing part of the story was that in Lodi a friend of Mr. Jones came along and looked at the brandy label and said, "Well, you must be very complimented--I see they've got your name on the label." Because his name was Lee Jones. [laughter]

Of course, Lejon brand was really a contraction of Lee Jones' name. I don't think Lee Jones was French, but by the time they got through putting a French nasal tone to Lejon, why, "Lee-jon" turned into "Lejon," and that was the brandy. Anyway, they had what I would say was a good group of products.

¹Mrs. J. A. Shewan was a partner initially.

They had the Chateau Lejon red, Chateau Lejon white, the Hartley brandy and the Lejon brandy, Lejon dry vermouth and Lejon sweet vermouth. I think we ultimately came out with a Lejon champagne.

Shewan-Jones was really the winery where Elbert Brown worked; so he was a Shewan-Jones man. Shewan-Jones was one of the wineries where Myron Nightingale started. Also at Shewan-Jones, when I first went up there, Paul Heck was there as the plant manager -- Paul, of course, being the brother of Adolph. I'd like to follow through on the ownership of Italian Swiss. It was bought by National Distillers in 1942. Then in 1949 Petri bought Mission Bell winery from [Krikor] Arakelian. Petri formed Allied Grape Growers, who bought the wineries from Petri in 1951. Subsequent to that, Italian Swiss Colony was sold to Petri by National Distillers in 1953. At this time United Vintners was formed. The ISC wineries -- that is, Asti, Shewan-Jones at Lodi, and Clovis--were leased to Allied. 1958 Allied bought Community winery in Lodi. At that point they closed down the Shewan-Jones winery and concentrated their efforts on the Community winery, because one was just across the street from the other.

In 1959 Petri sold United Vintners to Allied Grape Growers. United Vintners, up to that point, had been retained as Louis Petri's winery, which was the marketing arm of the organization. So Petri kept the marketing arm, and the growers had the wineries. Profits were split between Petri and Allied up to 1959. In 1959 Petri sold everything to the growers, so United Vintners then became a subsidiary of the growers; it was the marketing arm for the growers, with Petri continuing to manage the company. At this point any profits went entirely to Allied Grape Growers.

In 1961, just to get this in the record, Cella was sold to Allied Grape Growers. In 1964 Inglenook was sold to Allied Grape Growers. In 1969 United Vintners was sold 82 percent to Heublein. In 1978 Heublein bought the balance of United Vintners, the other 18 percent. In 1982 R. J. Reynolds bought Heublein, and in 1983 ISC wines were sold to Allied Grape Growers. It was about that time, in 1984, that the term United Vintners was dropped and Heublein Wines was substituted.

In 1987 ISC wines were sold to ERLY Industries and we were renamed The Beverage Source. The other thing that happened in 1987 is that Heublein purchased Almaden. They had no sooner bought Almaden than Heublein itself was sold by R. J. Reynolds

to Grand Metropolitan of England. It's kind of a long history isn't it?

Teiser: We were wondering if there was any other California company that had had so many owners?

Rossi: I don't think so. It's just mind-boggling. Then through each period we had a number of presidents and changes of management. I've served under thirteen or fourteen different presidents over thirty-nine years, so it's an average of one every three years. Even if each of the thirteen were absolutely brilliant people, it's always been my opinion that it has been one of the things that has tended to hinder our growth. In competition with Gallo, for example: Gallo had two men who started in the mid-1930s, and they're there today, so it's an uninterrupted forward thrust. A person may not agree with everything they've done or the way they do everything, but the fact remains that they have a decided advantage of just having the one management over the years. That's just a side comment.

Jacobson: Between all these transitions, how much sensitivity was there to trying to maintain some sort of continuity of traditions or culture?

Rossi: Well, I think that up to the time of Heublein it was pretty well recognized. It was either grape growers or California wine people. The Heublein people were sensitive to the wine business, but I'll put it this way: it was a bit more difficult for them to understand the traditions and the family heritage that really merged into making United Vintners. And unless you're living with it on a day-to-day basis, it is more difficult.

> To deviate slightly, somewhere along here the Santa Fe wines were dovetailed into this; that was maybe in the 1960s. At the very least we had the Rossi family with Italian Swiss: Lee Jones with Shewan-Jones; the Inglenook brand from John Daniel [Jr.]; the Cella brands from the Cella winery, which was formed once J. B. Cella and Lori [Lorenzo] Cella had left Roma; then we had the Santa Fe brand. So we had a lot of brands that represented wineries or wine brands that had been started by families and that had come down to one ownership.

First off, it was difficult to totally appreciate the traditions and the heritages of each of five or six families. Then from the non-traditional side, from the strictly business approach, it was very, very difficult to cull out some of the wines that we had. Because we wound up with a tremendous

hodge-podge of brands, which made operational efficiencies very difficult. Maybe you'd have a Petri wine or a Santa Fe wine that was very, very popular, say, in one part of the country. Maybe total sales for the item would be 25,000 cases annually, and you'd have a concentration of perhaps 15,000 cases in one market. So in the overall scheme of things it may not be an efficient brand by the time you take it, say, at a level of 15,000 cases, split them to two or three different sizes for two or three different wines. It's not an efficient operation to keep that brand. But the person who is selling 70 or 80 percent of that brand in a given market has a very strong opinion about holding his share of the market in that particular place, so he doesn't want to give that up.

Another aspect of the Heublein's acquisition of United Vintners is that they had had a very, very successful campaign where they had branched out from the traditional vodka into the small-packaged mixed drinks in a number of shaped bottles. They had the martinis, the manhattans, the old fashioneds, and all of that just as a convenience package. It represented a marvelous line extension from the vodka, the best known brand being Smirnoff.

They successfully had branched into these various cocktails, which they call "line extensions." With large companies line extensions are important because they feel that you run into certain limitations from a marketing point of view as to what you can do with what you have. So there's always the question of whether to have line extensions, and then there's another judgment that comes into it: how many line extensions is enough, and how many would be too much?

Flavored Wines

Rossi:

Having had a huge success, described above, Heublein came into the wine business in 1969, and we already had had twelve years' experience under our belts with the flavored wines. So I think they saw, perhaps through rose-colored glasses, tremendous opportunities in the wine business by taking a relatively inexpensive-based wine and adding flavors to it, and then having a very attractive package and having a very successful markup. All of which rationale is perfectly okay. I think that what maybe wasn't totally appreciated was the extraordinary competitive pricing that exists in the wine business.

Through the 1960s, I would say, we were right down neck and neck with Gallo, from the 18-percent-alcohol-flavored wines down to the under-14-percent-alcohol wines at 12 to 13 percent.

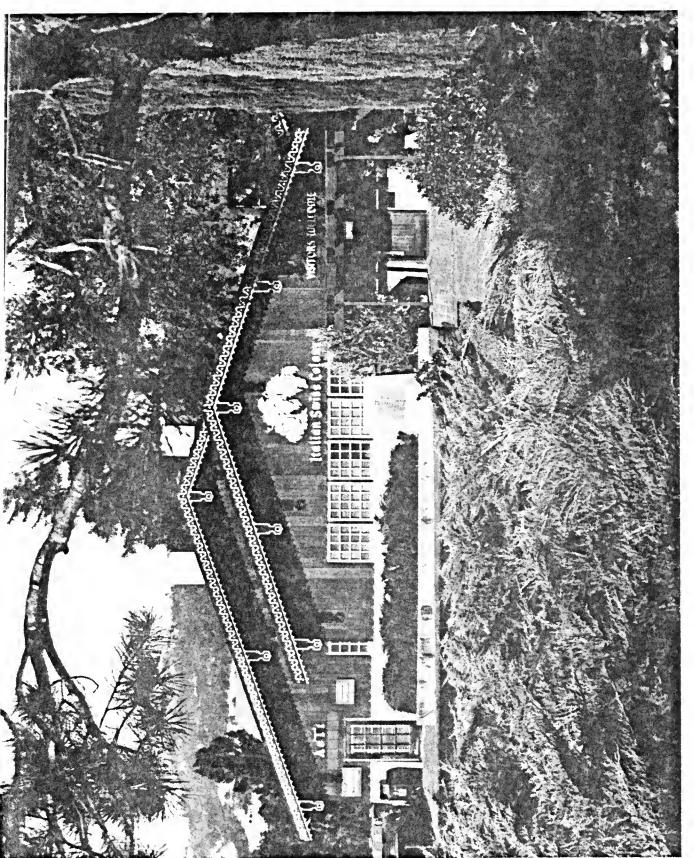
The next generation down was the 9-percent-alcohol-flavored wines. Well, Gallo had Boone's Farm series of wines, which started off with strawberry and was a huge success. Then we came in with our Annie Greensprings country series, and subsequent to that we went into our T. J. Swann series. In the Annie Greensprings series we simply had named the fruits on the label, and we had kind of a paper label that would be somewhat similar to somebody doing it in his own garage and putting a paper bag label on the bottle. On the T. J. Swann series they opted to just simply name them by the times of the day--Easy Nights, Mellow Days--but they didn't name the flavors, with the idea that perhaps the life span of the item would be extended.

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Rossi:

The idea with these flavored wines--it was clearly recognized that up front a company would have to spend money getting the brands off the ground. Then, hopefully, once it had caught the imagination of the public it could perpetuate itself as the advertising funds were dropped. And if the lifespan was long enough you'd make up what you had invested [in advertising] in the early stage of the life cycle and make it up on the end of the life cycle. By extending the end of the life cycle by, say, six months, one could make the difference between making a profit on it versus just trading dollars. So that was the idea.

Generally speaking, the first person with a new flavor was the one who got the lion's share of that particular market. Say, in 1957 we countered Gallo's Thunderbird with our Silver Satin. Our Silver Satin volume never came close to Thunderbird's volume. But then several years later we initiated a product that was under 14 percent alcohol that was called Bali Hai, and we enjoyed a volume of something like two million cases at the height of the popularity of the brand. And Gallo had a tropical flavored wine, but I don't think it ever reached that proportion. So clearly the first on the block was the fellow who got the biggest piece of the pie.



The quaintly fashioned tasting room at Asti, which was host to thousands of visiters over the years.

Practical Projects with Elbert M. Brown

Teiser: Getting back to the beginning of your career at National Distillers, you said you started work under Elbert M. Brown.

What was he like?

Rossi: He was a very bright person. Technically he was ahead of his time. He was a good wine taster, and knew wine chemistry and applied wine chemistry to day-to-day winemaking. It was a

privilege to work with him.

Teiser: Did he teach you a great deal?

Rossi: Well, sometimes he was a little bit cranky in the morning, but after we had lunch things would loosen up. If you listened to him you could learn. In those days, in 1949 and 1950, we were shipping three gallons of dessert wines to one gallon of table wine. So we were concerned with the idea of the alcohol equivalency of a given wine, the equivalent proof gallon content of a gallon of wine as it relates to the proof gallon equivalent to a ton of grapes and what efficiency you could realize from a ton of grapes as being converted into wine. We developed a scheme which showed how many equivalent proof gallons you could get out of a ton of grapes, as translated to wine.

Then we carried that through for years, as a matter of fact. And I think we developed a fairly sophisticated system of showing that it tended to relate, you might say unromantically, to getting a ton of grapes and determining the actual proof gallons on a sugar basis in the ton of grapes, and then calculating the proof gallons that one had as wine products at the end of production. So what one would have to do would be to work from the total grape received, and then determine what percent the stems and skins were, and then deduct the stems and skins from the total weight of the grape. Then you'd get the sugar solids in the juice and determine what sugar you had, and once you had the sugar then you'd get the equivalent potential alcohol out of the ton of grapes.

Simplistically, a person could visualize that if your operation was a matter of converting tons of grapes into grape concentrate, then you could get a very high efficiency because you wouldn't be undergoing any fermentation, you see. But the minute you start to ferment there were losses inherent in fermentation. So if you had one winery and you were making a lot of concentrate, and then you had another winery making a

lot of wine with a lot of fermentation, and then you had a third winery that not only made wine but distilled it, you would find that the more operations the more opportunity there was for losses.

We tried to pinpoint the losses, which a person almost had to do to appreciate what the winery was doing. It wasn't fair to say that a given winery had a 95 percent efficiency versus another winery at 90 or 85 percent, when you come to find out that they have two different operations going. In the same way it wouldn't be fair to compare a winery, say, on the North Coast with a relatively small berry with a high proportion of skins to the size of the berry with two or three large seeds in it, to a fairly large Thompson Seedless berry in the Valley where there were no seeds at all and very thin skins.

Teiser: Didn't you have to feed Brix into that?

Rossi: Brix came into that, yes. Brix was a measurement of total solids on a weight basis--percent by weight total solids. then you'd have to deduct from that total solids the non-sugar solids in order to arrive at the sugar solids. Then that would give you the initial proof gallons in the ton of grapes. was very good on that, and I picked up on that. I learned a lot from him in these matters. So we had some very good numbers. I would say he was ahead of his time on that. That was a critical consideration in the early 1950s when the dominant crush was toward dessert wines.

> I worked with Elbert Brown as an assistant chemist. Because of the influence of National Distillers, Italian Swiss Colony didn't have a lot of winemakers; we had more chemists because that was the title that they gave to their technical So in a certain sense a chemist was a substitute for a winemaker. Anyway, I was an assistant to Brown. I did work envisioned as practical research and development and quality control. Then, independent of Brown, I got into this wine inventory control. I started with Brown in 1949, and then wound up coming to Asti in 1953.

When National Distillers bought out Italian Swiss Colony, Elbert Brown moved from Lodi to San Francisco to be at the headquarters. Italian Swiss Colony offices were at 781 Beach, which is just down from that Irish coffee cafe, the Buena Vista, across from Aquatic Park. Brown and I had our office and laboratory upstairs from the general office.

Teiser: Did your work then feed right into production?

Rossi:

Oh, yes. Then we'd go out to the wineries and bring them a method of analysis that we had worked up, or discuss the quality of a wine that we didn't think was up to par and how we could get it better.

Teiser:

Did you monitor all production, actually?

Rossi:

Yes, I did monitor production, now that I stop to think of it. We just had a lot of wines coming in. We reviewed production, reviewed finished blends. The winemakers would make up a laboratory sample of a blend that they would propose. Then they would send in to us a sample of the current blend and a sample of the proposed blend. We would taste them together and then decide whether the inherent quality was satisfactory and whether the continuity of product was okay. That was what we did.

Teiser:

One thing that's been said is that National Distillers was an inconsiderate employer--was not very thoughtful of its people here.

Rossi:

I didn't have the experience or the contact to make a judgment on the impact or the relationship between the National Distillers people and Italian Swiss people, say at the marketing level or the sales level. In those days we didn't have marketing people. The president was John R. Deane. I mentioned that Bernard Davitto was a consultant. The vice-president in charge of production was Enrico Prati, and the vice-president of sales was Bruno (B. C.) Solari. Then we had a man in charge of Asti brand sales by the name of Ray Giordano.

My contact with National Distillers was through Elbert Brown and Ira Siphert, one of the chemists for National Distillers. As I recall, he was a very pleasant person; he was not an unreasonable person. I think that although the salary levels in those days were relatively low by today's standards, the salary advancements that I had over the years were satisfactory. And I found General Deane to be a good boss man.

Louis Petri Buys Italian Swiss Colony, 1953

Rossi:

In 1952 we had a change of management; National Distillers were anticipating selling the company. General Deane left the company, as did Solari, and for the better part of the ensuing

year they brought in Adolph Heck as an interim president. I always got along with Adolph well. Adolph knew the management at National Distillers, and I think it was his job to sell the company.

I don't think they sold the company because they were dissatisfied with it. The president of National Distillers at the time was a man by the name of John Bierwirth, and I think it was a matter of policy that he wanted to get out of the wine business with the idea of putting assets to work in the petrochemical business. In retrospect I don't know that that was such a good decision, because I don't know that they made that much money on the petrochemicals. In fact, I have a vague idea that they did not.

I'm not sure for what amount they sold Italian Swiss Colony to Petri, 1 but then they turned around and put a substantial amount of money into Almaden, which was a much smaller company. I wonder if that was really all that consistent. If they had wanted to stay in the wine business they could have kept Italian Swiss Colony and then bought Almaden, and they would have had a pretty good piece of the pie. They would have had a very, very strong position.

Teiser: As I remember, the Gallos were interested in buying Italian Swiss at that point.

Rossi: Yes, they were. When it was understood that Italian Swiss was up for sale, as I recall Ernest and Julio Gallo came in and made a down payment of a sum of some \$25,000 to take a look at the company. I don't know if they made a bid for the company that was unacceptable, or whether they decided that they wanted to keep a one-brand company. But I think for the money they put down they got a total look at our sales and inventory positions, so they got their value out of the money they advanced.

By the time they looked at the company and walked away from it, that was the exact time for Petri to strike. Because National had missed on one potential buyer, and they knew there weren't a lot of potential buyers out here. So Louis Petri

¹According to Louis Petri, "Totally we paid about eleven and a half or twelve million dollars for it." Page 23, Louis A. Petri, <u>The Petri Family in the Wine Industry</u>, an oral history interview conducted 1969, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1971.

stepped in. Maybe he took a few samples of wine, but he didn't look at the company with a microscope the way Gallo did. He just knew what he wanted to spend for the company, and he made his pitch and bought it. And he bought it very well, because as a matter of fact the wine inventory at that time I believe was in the range of thirty to thirty-five cents a gallon, and within a year he'd made a substantial amount just on the increase in value of the inventory. So he was a smart operator.

Teiser:

He should have been conservative, from his background, but he was innovative.

Rossi:

And he had a flair for the dramatic, but it wasn't the dramatic that got him way out on a limb. Of course, he had Lelio Bianchini with him, who was bright and who was his older cousin, and then he had Benny Mortara, who was the treasurer of the company. Benny is still alive today. Benny was very conservative, and so I guess he'd tend to hold Louis back from some moves that maybe he shouldn't make. He had a system of putting ideas out to people and then mulling them over. I think once the risk was fairly well defined, he said either go or no go. [If go] everything went into action, and everything started to happen. [laughter]

Teiser:

Did he bring his people in?

Rossi:

When he came in, you might say that on the production end of things Bianchini took over. You have to think back and realize that a year before Petri bought the company, John R. Deane and Solari had left so Petri had his team. Petri had those three that I mentioned, and then he had a man by the name of Lloyd Shelley, who was in charge of credit. Then he had a man by the name of--

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Rossi:

--Frank Underwood, who was vice-president of sales; at least in 1950 he was. And another man by the name of Frank (Tommy) Tomlinson, who was in charge of the bottling at Escalon. Then on the Escalon staff they had Jim Gott, who was in charge of winemaking; he was the chief chemist and winemaker. When he moved up to being the plant manager they had a man by the name of Tommy Leong, who was a winemaker and chief chemist. Then they had two long-term employees, Jack Wiesenbeck, who was the cellar master, and John Oliveri, who was in charge of maintenance.

On the West Coast they had Clair Fischel, who was the western division sales manager. Interestingly enough, in 1950 Petri brought in for a period of time Lou [Louis R.] Gomberg as an executive assistant. Here it is, in the <u>Petri Grapevine</u>, November 1950.

Teiser: [reading] "Appointment of Louis R. Gomberg, wine consultant and executive assistant, has been announced by Louis A. Petri. Gomberg's appointment becomes effective November 1."

Rossi: This July 1951 issue of what Petri used to put out as the <u>Petri Grapevine</u> shows that Professor Edwin Twight served in an advisory capacity at Escalon. And here is a picture of Tommy Leong, who was the chemist. They have his title here in 1951 as assistant chemist and winemaker. They put the titles of chemist and winemaker together, which is along the lines that I talked about.

Teiser: Petri had the quality of being able to make people loyal to him, did he not?

Rossi: I think so. He had a very bubbly personality. It was hard not to like him.

Teiser: Had you known him before he became associated with the company?

Rossi: No. I joined Italian Swiss in 1949, and he bought the company in 1953. In '49 I was only twenty-five years old, so I was between the ages of twenty-five and twenty-nine--I was under thirty while I was with Italian Swiss prior to its having been bought out by Petri. But Louis would have been ten or fifteen years my senior, so there was too big a disparity in our particular positions in the industry for me to have known him.

Teiser: Were your families friends?

Rossi: No, I don't think so. Not too much. I don't think my father was particularly close to him as a personal friend. But I think, there again, that Louis Petri came between the generations of myself and my father.

Teiser: And his father and uncle were not your father's generation either.

Rossi: No, we were just sort of half between. I don't think my father got married until he was over thirty. I made my presence known in the world a year later, so there was a thirty-year spread between myself and my father. So Louis could have been fifteen

years junior to my father and fifteen years senior to me, which would have just thrown the whole thing out of whack.

Teiser: Angelo was his father, and I guess he was older.

Rossi: Angelo was older. They knew each other, and I'm sure they respected each other.

Petri had Signature wines at that time which were premium wines, endorsed by a number of prominent wine connoisseurs and experts. This was just about the same time, in parallel, with Italian Swiss Colony's introduction of the Asti brand wines, which included both generic and varietals. So we were thinking along the same lines. We had our standard wines, but then as history progressed and the grapes in the North Coast counties became more valuable and expensive, then we had to move into premium wines.

Teiser: When the two companies came together, what facilities did Petri bring in?

Rossi: As I recall, Petri had three facilities: they had their home base at Escalon, and then a table winemaking North Coast winery up here in Forestville. The manager there was Ed Offut. They also had the Mission Bell winery down at Madera. That was the big one.

Teiser: How did your duties change?

Rossi: In 1953 I came up to Asti and I worked as an assistant winemaker, and then as a chemist winemaker until 1957.

Teiser: What did you do?

Rossi: I was in charge of the laboratory and in charge of making wine here at Asti.

Teiser: Did that take you into procuring grapes?

Rossi: No, because we had Allied Grape Growers grapes. They had the grapes and we had committed to take them, so they just brought them in. There wasn't a lot of choice at that time.

Teiser: When your grape supply is beyond your control, what do you do?

Do you just create categories of labels?

Rossi: You're hitting a very sensitive point. Petri's alliance with Allied Grape Growers was formed in 1951, so they were in place

in 1953. In 1953 Petri acquired ISC, and our wineries were leased back to Allied. So the Petri-Allied combination swung into effect. I think one of the key thoughts behind Petri's idea was that he would take those grapes and make them into wine and market the wine, and they would retain for the grapes a given number of dollars per ton, which constituted operating capital for Allied Grape Growers. Then he would return to the growers the difference between what they generated as profits less the retains.

There were two things that happened at that time, as I recall. One, the thought that Petri had was that in having the growers own the winery directly there was an elimination of one income tax, because you didn't have a corporate income tax and then an individual income tax. Two, they thought they had a sufficiently successful marketing program (or, really, I might say sales program in those days, because we're not talking marketing) that they would be able to return to the growers a price per ton that was in excess of the average market price even after they took out the money for the retains. And Louis Petri was able to do that. Gradually, from this operation, he and his associates were paid off. So he made a fairly handsome amount of money out of it, but it wasn't just a cash deal that he walked away from. He had to make it work, and he really did.

There were two things in his favor, as I see it. When they signed the grapes up they signed them up likely with the view in mind that those grapes matched the sales. In those days you had grapes down in the Valley that were used for making dessert wines, and the North Coast grapes that were used for making red wines were good quality grapes but the price was inexpensive. So as time went by and they brought grapes in for winemaking, they were in fact in concert with the mix of products that were being sold. As long as the grape supply and the product mix were pretty much in concert, then everybody was happy.

But as time went by, and as it shows on this chart of mine, I the mix started to change from dominantly dessert wine into table wine. The key date for that was in the late 1960s, where table wine started to dominate over dessert wine, you see. In 1968 table wine sales exceeded dessert wines, and in 1976 white wine sales exceeded red table wine. So I think that's where the whole idea ran into trouble. You see, we were

 $^{^{}m l}$ Appendix II, Chart II, in "A Historical Perspective."

getting into more expensive grapes and we were getting into a mix to accommodate sales--because after all, it was less expensive grapes that were used to supply that two to one ratio of dessert wines over table wines. The minute we got into table wines--and, further, the minute we got beyond 1970--then the North Coast table grapes became more expensive.

You can see here, for example [refers to "A Historical Perspective"], that during the Petri era of 1954 to '59, the average price of grapes in Sonoma County had not exceeded a hundred dollars a ton except in these two years back in the 1940s. From 1950 to 1959, the average price of grapes might have been sixty to sixty-five dollars a ton; it was low. That was fine, because they were pumping out a lot of red table wine. We had our burgundy, Petri had his "Pastoso" burgundy, we had our G&D Fiore de California burgundy, we had our Italian Swiss Colony Zinfandel, we had our Tipo Red chianti and a Gold Medal chianti. All those are fairly substantial volumes of red wine. We could afford to put grapes in that were of good quality, because they were all North Coast grapes. So they had tremendous quality.

The difficulties started to present themselves from 1959 to 1969. You can see that the prices started to go up a little bit, and they may have averaged \$140 a ton. After 1969, getting into the 1970s and up to 1983, when Heublein had the winery, you can see the price of grapes just skyrocketed. They went from \$255 up to \$540, and that's where the bind came in. Because we had these grapes, and many of them were Carignane grapes that did not represent the quality that we wanted for our wines, and they were higher priced. The difference in quality between the North Coast and Valley grapes was less, say, with grapes like Carignane than it would ever have been with Zinfandel, yet these were high-priced grapes and we had signed a contract with Allied for them.

So it started off in harmony, because grape supply and need were in concert. Then, as table wines became more popular, there was less need for the less expensive grapes down in the Valley. We said that in 1968 it swung from dessert wines to table wines, and then in 1976 white wines dominated, which was fine. By that time the mix of grapes in the North Coast counties had swung out of Carignane, out of Golden Chasselas, out of Sauvignon vert, into grapes like Cabernet Sauvignon, Chardonnay, Johannisberg Riesling--grapes that weren't available. The thing fit when Petri put it together, but as time went by the conditions changed, really through nobody's fault. But they did change.

Teiser: When you were working here, then, were you in charge of quality control for the whole series of wineries?

Rossi: No. After Petri came in I came up here. As I recall, we had a system whereby we somehow monitored each other's wines; so there was no head quality control person. We had wine being made at Clovis, at Escalon, at Asti, at Madera, and over here. Each one sort of checked on the other person.

Developing Wines

Rossi: In 1957 that came to a halt, because at that time Gallo came out with Thunderbird. That was what implemented a big change in my career. In 1957 they said to me, "We want you to break away from the day-to-day winemaking at Asti," and they put me in as a director of quality control and research development. My job was to come up with a product that was competitive with Gallo's Thunderbird in six weeks. 1

Teiser: How did they happen to choose you?

Rossi: I guess they just knew that I was interested in wine quality, and maybe good with the detail--more of an R and D person than a production person. Like lots of people, one can do both, but they thought that my temperament fitted that.

Teiser: Am I right in believing that you are known as being a good blender? Am I using the right term?

Rossi: Yes. You might say it's product development, which includes blending, and then clarification and processing in wines to bring out the best in the blend.

Teiser: By then you must have shown your talent in that area, in order for them to have chosen you.

Rossi: Yes. I think it was that, plus they knew my temperament--that that was more to my liking. It seems to me that in R and D you have to have a temperament that wants to shoot for the very best. From a practical point of view, a marketing person is always going to be on the side of, "Let's get all the quality we can because it makes the product easier to sell." On the

 $^{^{1}}$ For more on special flavored wines, see pp. 53-70.

production side, the production man is saying, "Hey, you know, you're putting too much quality into this blend," or, "You're being too fastidious in the way in which you're asking us to prepare the blend. It's not a practical way of doing it. Can't we do it in a more simple way?" And maybe, "Your mix of grapes and your ingredients are too expensive."

So you have the production man saying, "I want to do things simply," you have the accountant saying, "Your ingredients are too expensive," you have the marketing man saying, "I think that's a wonderful blend; let's go with it." Then you have the product development man who says, "I think this is the best mix that we can get."

There has to be some push and pull. For a top administrator, as long as he plays the tune right, you have an equal credence given to each end of the business. As the team works together they begin to understand what you can do and what you can't do. I guess the thought I have in my mind is that if the product development man doesn't come up with the very best, then the production man and the marketing man never know what is possible. If a product development man on a scale of one to ten always comes in at a six or a seven, because he himself has the idea in his mind that that is where he wants to be, they never see the best. I think you owe it to them to show them the best, and then somewhere you reach a compromise. That's point one.

Point two, I think it's a terrible mistake for a product development man to say, "I have an exact idea in my mind of what you, the marketing man, needs, and I'll see you in four months." You wind up pursuing a particular line of attack to a point of refinement where the basic blend or the character of the wine may not be what the marketing man wants.

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Rossi:

So if a product development man wants to develop something fairly quickly for marketing and the company needs it in order not to lose time, it's very, very important to put together something "quick and dirty," say, within a matter of three or four weeks. Then he can bring a prototype to a marketing man and ask, "Is this what you want?" The marketing man then says, "Yes, but--." Then, the next time, you bring in your original product and you bring in the "but"--you bring in what additional characteristics of the blend he needs. Then you reach a consensus of opinion more quickly.

The other ingredient that has to come into it--it seems that all my life we've been pressed to shoot from the hip and make estimates of what the shelf life was going to be. Making a wine, putting it in, and holding the wine for five days at a hundred degrees does not give you a reliable measure of what the wine's going to be like after, say, six months on the shelf. Ideally (and I don't know that I've ever seen the ideal) a person should be working on product development--ideas, concepts, and products--way ahead of their potential use. Then put them on the shelf and let the time on the shelf show you what you want to have. That way one is not guessing; you're basing your knowledge on what's happening.

Surprisingly enough, we've had very few new product failures due to the product. We've had new product failures because the concept hasn't been all that good. 1

Teiser:

I should ask you about bulk sales. In all this time were you engaging in bulk sales also?

Rossi:

That's a good question, and I don't have a ready answer for it. I don't think through the Petri period and the Allied period we were making that much wine we couldn't use. It only got to the point where we couldn't use it after the North Coast grapes got too expensive. When we started to backlog North Coast wine because we couldn't use it, then we had some bulk sales, as I recall. Of course, all through the Petri and the Allied and the Heublein period we were constantly monitoring our inventory position, so we'd either buy or sell or trade. That was just a standard operating procedure to keep the inventory in balance. A person has to make a judgment as to how much age he wants on a wine to begin with, and then target for that age so that his inventory is always in balance. You have what you need, but you don't have too much. I think everybody does that pretty well.

Jacobson:

When they moved you into R and D in response to Gallo's introduction of Thunderbird, did they do other things to strengthen R and D?

Rossi:

They gave me a couple of technicians. Over the years, as that activity grew, I added to the group. Over a period of time we had a very good group up here at Asti.

Jacobson: What did the R and D department consist of before 1957?

¹See page 58.

Rossi: Well, we didn't have it. It was just nonexistent. It was only initiated by necessity.

Teiser: When you create a product, do you start by analyzing what you want to achieve?

Rossi:

You taste the competitive product and you decide pretty much how you think you ought to make it. In that particular instance we used a neutral base and we added citrus flavors. So you adjust to the same level of residual sugar and the same level of total acidity and the same color, and then you get flavors from the flavor companies and add them. You either match it exactly or you come up with a characteristic that you think might be even more acceptable to the consumer. That's if you're targeting after a given product.

If you're going out into new ground--for example more recently on the flavored champagnes, Franzia had come out with that strawberry-flavored champagne. We decided that instead of being just another "me, too," and coming out with a strawberry-flavored Jacques Bonet champagne, we'd come out with a raspberry-flavored one, which is just as nice as the strawberry. If it's a non-flavored table wine you have to make a decision as to what price category it's in. Then if you know your inventory you can go into the winery and say, "I'll use some of this variety, or some of that variety, or something from Asti, or something from Escalon," and you pretty much can conceptualize just how you're going to put it together.

I suppose if there is one thing that I've done consistently over my career--because I've had a lot of different titles; when National came in there was a certain change of titles and change of responsibilities with people who would take over various spots. But the one consistent theme through the whole thirty-nine years is that I've always dealt with wines, and I've always dealt with what could be called the product development or the development of new blends, of new wines. I've never let go of that. I've never been asked to let go of that, principally because that has always been my main interest and longest suit.

Teiser: This implies that you have some intellectual concept of what a wine should taste like, or what this kind of wine should taste like compared to that kind of wine, which must come partly from experience.

Rossi: It comes from experience, and I think it comes from an appreciation of working with marketing people. You know, in

developing an idea, when marketing people say what they want, it translates to my mind to what they want in a glass. But then from what they want in a glass it translates in my mind to what ingredients I need to put together to get where I want to be. That's always been fairly easy for me to do. I think that in any relationship, if you are willing to recognize what the other fellow has in mind you're well on your way to coming to a meeting of the minds. If you're too rigid and say that this is the way it's going to be, forget it. Go buy your own winery.

Teiser:

But in order to understand what that other fellow wants, you have to have some almost abstract idea of wine.

Rossi:

Yes, exactly. Then there are always some precepts that I've carried in my mind. I don't mind saying that I've always carried from Amerine that a wine is born in the mind of the winemaker. I've never forgotten that. So a wine is born in your mind. As long as you try to conceptualize in your mind just about the right thing, and then you work toward that, then you have a target to work toward.

One of the things that I always felt important in working toward a blend is that I've always felt that a blend is analogous to a chain. The chain is no stronger than the weakest link. If you make each component of a blend in a certain way, then you can maximize the quality of the overall blend. This is sometimes a hard bill of goods to sell to production people, because if you're putting together, say, a 50,000 gallon blend and you have 10,000 gallons each of five components, it's easier for the production man to put the whole 50,000 gallons together and then refrigerate it or clarify it in a certain way so that the whole blend shapes up.

Maybe two of those 10,000 gallon legs have a very good North Coast wine in them, and when you clarify the whole 50,000 gallons you lose some of the flavor of the top quality wine. What you really want to do is hone in there on the weakest link of that 50,000 gallon blend and get that 10,000 gallons straight. Once you get that 10,000 gallons straight you maybe don't have to fool around at all with the other 40,000. You maximize the quality inherent with the blend and you get the 10,000 straightened away so that, although it may not be the nectar of the gods, at least it's not something negative. Then you get the maximum out of the blend.

On a scale of one to ten, if you have a wine that's a five and you clarify it in such a way that you get it to a six or a seven, and your other ingredients are eights, then you're going to maximize the whole blend. If you fine the whole wine, you're going to go from a five to a six on the whole wine, when actually your target could be the eight. But you have to have the patience and the persistence and the mental attitude to go after each leg of the blend. Essentially you say the quality control of the blend is not necessarily how the blend comes out; the real quality control is to quality control each of those five legs. Because if each of those five links comes out strong, the entire chain will be strong.

I should point out that often an entire blend can be processed without losing overall quality. Good understanding between development and operational people works these things out.

In essence, that's my whole career. [laughs] It's been a long thirty-nine years, but that's it.

Teiser: There's a lot of skill and experience that goes into it.

Rossi: That's the fun part of it.

Teiser: Hard work?

Rossi: Yes, but it's rewarding. You can't be in it only for the money. You've got to have the joy of coming out with a good wine.

Jacobson: Would you have ideas of your own about what the market might need or want, independent of your chief marketing person?

Would you go after some of those?

Rossi: Yes, sometimes.

Teiser: Was there someone sitting on top of things when they asked you to make decisions, a person in the company who made the final decision?

Rossi: On all of these product development projects over the years?

It was generally the president of the company. He generally would take into account what the marketing people would want.



Post-Repeal Generic Wines

[Interview 3: 24 February 1988]##

Teiser:

I'll begin, if I may, by going back and asking you about something that is probably before your time, but that you may know about, and that is the nomenclature of generic wines just after Repeal. As I recall, red wines were called claret and burgundy, and white wines were called sauterne.

Rossi:

And chablis? Not too much chablis. In 1949, when I first got started, I remember very clearly that the Livermore Valley-the Wentes and the Concannons--had very good Sémillons and very good Sauvignon blancs, and they also had a sauterne. Then somehow or other the Sémillon, Sauvignon blanc, and the sauternes seemed to fade out of favor. Then the chablis came in. I think there was more sauterne, maybe in the 1940s, and as we got into the 1950s and 1960s chablis emerged.

Teiser:

Do you think the sauterne in that earlier period was closer to French Sauternes than chablis? It seems to me I remember (and I might be wrong entirely) that almost any white wine was called sauterne. But maybe it was because by necessity they made sweeter white table wines, for one thing.

Rossi:

I remember one of the first things I experienced when I was with Elbert Brown was tasting the Shewan-Jones Chateau Lejon red and Chateau Lejon white. And the white was a Sauternes style. One point that makes the tracing of the evolution of white generic nomenclature difficult is the fact that in the 1940s we had very little idea of protecting the wines from oxidation. In 1949 and 1950 I can remember reviewing the white wines that Italian Swiss Colony had, and by today's standards they were largely oxidized! And I don't think we were the exception; I think we were much more the rule than the exception.

Teiser:

And in Europe, too.

Rossi:

In Europe, too. So it could have been that the heavier style, with a little more sugar and a little darker color, was more reminiscent of Sauternes, and therefore the nomenclature of sauterne for that particular style of wine at that time--say, in the 1940s and early 1950s--was appropriate.

But then it seems to me that, as we moved from the dessert wines into the table wines in the 1950s, most of the wines that were being sold were red table wines, not white table wines.

Then in 1957 we moved into the flavored, 20-percent-alcohol wines. And in the mid-1960s we moved into the lower alcohol flavored wines. Towards the end of the 1960s and into the 1970s the flavored wines, or the special natural wines, seemed to taper off. It was in the mid-1970s that the white wines emerged as being of more consequence than reds. [looks through notes] It was in 1976 that white table wine sales exceeded red table wine sales. I think as we moved into that era chablis seemed to be a very popular wine style. It was a chablis to the extent that it was less sweet, maybe, than the original sauterne; it was made from maybe a more neutral grape. By 1976 the volume of white wine had come on strong.

As a consequence, instead of the source of grapes being mainly the North Coast areas, whether it would be Napa, Sonoma, Mendocino, or maybe even Livermore, I believe that many of the grapes that were going into the white wine sales in 1976 were already from the San Joaquin Valley. So they had more than their share of Thompson Seedless, which is not to knock the wines. But at the same time, when you got into wines that were a little more neutral initially and didn't have the ability or the character to develop with age, then people emphasized avoiding oxidation and concentrating on having a fresh wine. And a fresh, pale, less sweet wine fit the chablis category. That would be my assessment of about what happened.

Teiser:

It seems to me that one of the earliest jokes I heard about the wine industry after Repeal was that you would go in to visit a winery and women would be sitting there bottling by hand. Over here they'd be bottling burgundy, and over there they'd be bottling claret, and both wines would be coming out of the same pipe in the next room. Was there actually much distinction between those two labels?

Rossi:

I don't think there was a great deal of distinction between claret and burgundy, because I think a lot of the traditional red wine blend that I remember here in Sonoma County was a blend of a Carignane, Zinfandel, and Petite Sirah. The Carignane gave volume and was a very good grape viticulturally because it withstood mold and rot and threw a good crop; it was a reliable grape. The Zinfandel, of course, gave the aromatic qualities, but you had to get through any rain, because the clusters were tight and tended to mold. So that was touch and go, but for that risk you got the flavor of the Zinfandel. In the case of the Petite Sirah, it had a fairly dark-colored wine, and that gave the body. Petite Sirah is sometimes not considered quite as noble a grape as Pinot noir, but nevertheless for, say, a burgundy or a claret or what is now

designated as a red table wine, Petite Sirah is still a very good grape.

That was sort of the mix of grapes. I don't recall, really, a blend of claret going out from the time that I was with the winery; I think it was mostly burgundy.

Teiser: Were they made with a higher residual sugar than now?

Rossi: I'm not sure about that. I think the traditional residual sugar for burgundy has been around 1 to 1.2 percent. By the time a person gets up to 1.5 percent, it's coming off too sweet. I think that in the late 1950s, as the reds came out, there were some wines that were specifically called "red vino," and the red vino wines were maybe 2 to 3 percent sugar. So they had a considerable amount of sugar to them, but they telegraphed that on the label.

Let's talk for a moment about the white wines. I think if a person has a good base wine, non-sweetened tank of white wine, then you can add various levels of either a sweetening material--concentrate or juice--or what we call light sweet white to sweeten that white wine. You can add 5 percent and wind up with 1 percent residual sugar; 10 percent is 2 percent, 20 percent is 4 percent. Out of the same two ingredients, if you just jockey the proportion of the sweetening material, you wind up with a chablis and a sauterne, and maybe a Rhine and a Rhineskeller or a Rhinegarten. You have four blends of varying levels of sugar with two ingredients. A person can do that, and you can be within the generally accepted norms, which would be a positioning of the sugar and acid.

I've never felt that that really was giving the customer the true value that he deserves, because the only variable there is the level of sugar and the level of acid. I think the base wine itself should have a variance. The aromatic qualities are going to be essentially the same on all four of those blends. I think it's better to blend in some varietals into the base wine and have a different base wine for each of the wines. That, to me as a winemaker, makes more sense. I think as the consumer becomes more knowledgeable and is more perceptive he will be able to appreciate that.

The argument against that is that, in fact, we don't have that perceptive a consumer, so why not just make a blend as simply as we can and put it out? It goes back to the philosophy of how you want to be in the wine business: do you want to be totally led by a consumer who isn't all that well

informed, or do you want to take a position as a wine man of leading the consumer? I think probably the best alternative would be somewhere between the two extremes.

Getting back to the red wines, again I'd have to say I don't recall having the same-based wine and sweetening to one level for claret and another level for burgundy. That could have been, but I don't recall that.

Teiser: That is to say, there wasn't much difference.

Rossi: I think right after Prohibition there was not much difference, because I've talked to people who made wine right after Prohibition and they shot the same wine out to both labels. I don't think that was too much of a deception. If they had good, sound red wine that had low volatile acids -- that is to say, that didn't have any vinegar flavor--and they put a wine that was stable in the bottle, there were going to be some customers who just preferred the shape of a claret bottle and other customers who preferred the shape of a burgundy bottle. The whole industry was in such infancy, and we had regressed in a certain sense to the point that people were drinking three gallons of dessert wine to one of table. We were struggling just to get the table wine back, just to get the table wine out, rather than to make refinements of the table wine; it was premature to make refinements of the table wine.

Teiser: Your chianti-type wine: you had used the term "tipo" chianti before Prohibition, and I see that occasionally the word "chianti" was used after that.

Rossi: Way back in the early beginnings of Italian Swiss Colony they put out a red and white chianti. I guess it was in my grandfather's time, because it was right around the turn of the century. I suppose the Italian government was upset about that because, they said, a Chianti can only come from Italy.

> In 1906 the Italian Swiss Colony people changed the name to Tipo Red and Tipo White, "tipo" meaning, in Italian, "type." In two or three years the following statement appeared on the back label:

Please be advised that hereafter our TIPO CHIANTI WINES will be known as TIPO.

We find this change necessary in order to differentiate from various brands of chianti that are

now on the market in imitation of our well known product. Please call for TIPO.

Before and after Prohibition it was consistently labeled California Tipo Red and California Tipo White.

Teiser: Was the word chianti used after Prohibition?

Rossi: Yes. In recent years there were competitive wines in claret bottles and in jugs labeled chianti.

Teiser: Was there an attempt to make it like the Italian Chianti? Did you ever use Sangiovese in it?

Rossi: In general our Tipo Red was a softer, less tannic wine than Italian Chiantis. We had some grapes here on the property that were Sangiovese grapes. Reportedly they were brought over from Italy. As I recall tasting the wine, we made a large tank or two of that wine every year. In the lineup of wines, between the Zinfandel, the Carignane, the Petite Sirah, and the chianti, the chianti did have its own characteristic. to relate that back in time to years later, say around 1980, I went to Europe looking for Trebbiano to import for Heublein wines. In the Romagna area, you can't taste Trebbiano without tasting Sangiovese. And as I recall, the Sangiovese wine was fairly similar to what we had here as Sangiovese. Of course, they have Sangiovese throughout Italy, and in Tuscany they use it for Chianti. The Sangiovese in Romagna they use for another wine. I think there could be some soil and climatic differences that would be impacted on the quality of the wine.

But to get back to the answer, the simple answer is yes, we did have Sangiovese. The blend, typically, for Tipo Red was a blend of Sangiovese with the best Zinfandel we could find, and that would be aged for two to four years. That was our "Tipo Red." 1

Teiser: It sounds good.

Rossi: It was good, and it was always bone dry, never sweet.

¹See also "The Story of Tipo," by Edmund A. Rossi [Sr.], <u>Wines & Vines</u>, August 1938, p. 6.

Wines of 1950-1969

Rossi: In the 1953 to 1969 era we also introduced the Inglenook

vintage wines, which included both table wines and dessert

Teiser: Were they actually made over there at Inglenook?

Rossi: Yes, the table wines were. They never generated a huge volume, but we were trying to find a niche, again, for use of wines

made from the more expensive North Coast grapes. Our constant thrust was in that direction. It was a big problem, because we had a lot of North Coast grapes that we had to absorb into our

system, from the agreement with Allied.

Jacobson: Looking over the report of United Vintner's R and D department, you have this section which lists various products developed over the period 1960 to 1975. I was wondering if you could

describe what was the idea behind developing the products. Was it in response to a particular marketing demand, or was it something that you came up with internally? Most of these

products seem to be flavored wines.

Going back to the little report on the history of winemaking in Sonoma County that I wrote, I would say that it tends to delineate the progression of the swing from dessert wines into table wines over that period of time, from 1950 to 1980, which

is a fairly long span of time. In the 1950 period, just as I got into the business, it was still one quarter table to three

quarters dessert.

As we said before, it progressed by 1968, a roughly twenty-year span of time, to where table wines approached those of dessert wines and surpassed them at that point in time. the meantime, the sale of all wines had gone from roughly 150,000,000 gallons per year to about 220,000,000 in 1969, and 245,000,000 in 1970. From 1970 to 1983 they went from about 250,000,000 to almost half a billion, or 477,000,000 gallons. Of course, in that period of time the growth was almost entirely from table wines, and after 1976 it was almost entirely white wine.

I think we can just divide our discussion into two periods of time, one from 1950 to 1969, which was the Petri through the Allied period, and from 1969 on, which would essentially be the Heublein period. To me there are two characteristics there. We had the emergence of the flavored wines, and then the demise

Rossi:

of the flavored wines, you might say, with the peak around 1977. [looking at notes] These figures show 1974 with 52,000,000 gallons of under-14 percent flavored wines, so that was about the peak.

Let's talk about the flavored wines for a moment. The kickoff was in 1957, when Gallo came out with their Thunderbird. Italian Swiss Colony's response to that was to come up with a match for Thunderbird in a matter of a couple of months, which we were able to do. Our answer to that was Silver Satin. Then there was just sort of a race, one on one. I remember Gallo had a Coca-Cola flavored wine called Eden Roc, and we countered with our Golden Spur. Then we had our Swiss Up, which was a flavored wine--all 20-percent-alcohol wines--which had lemon and lime. And just down the list here: we had lots of flavored wines, and this list shows both 20 percent, 16 percent, and 14 percent. The truth is that most of these wines were 20-percent-alcohol wines. Some were only 16 percent because in certain states they only allowed a low alcohol wine.

Teiser: Which wines were they?

Rossi: These show 20 percent and 14 percent. As I recall, these were dominantly 20-percent-alcohol wines, and to a lesser extent 14-percent-alcohol wines. The wines were Silver Satin, Silver Satin with Bitter Lemon, Golden Spur, Swiss Up, Arriba, Rhythm, Hombre, Red Showboat, Vin Cafe, Collins, Zombie, Cuba Libre. These were all developed prior to 1968. In that period of time we also had some wines that were under 14 percent alcohol. Bali Hai was an under-14-percent-alcohol wine and was never a 20-percent-alcohol wine. It was the first significant departure from the 20-percent-alcohol flavored wines. We had that developed in the spring of that particular year (late 1960s), and Petri sat on the idea until he had his new budget for the next fiscal year before we brought it out. It was an immediate hit; it went beautifully.

Jacobson: Was it a deliberate choice to make it under 14 percent?

Rossi: Yes.

Jacobson: What was your thinking behind that?

Rossi: Well, that it would be more palatable and more drinkable it if had lower alcohol. So we did do that.

There were some other wines here [looking at list]: we had a Gypsy Rose and a Satin Rose that could have been under

14 percent (it's not indicated here). But that was sort of the product development prior to 1968, or you might say prior to Heublein; Heublein bought United Vintners out in 1969.

In this same period of 1953 to 1968, which we could call the Petri-Allied period, we have to remember that, notwithstanding the efforts on the 20-percent-alcohol flavored wines, there was an emergence of red table wines--or just plain table wines, with the emphasis on red table wines, at least early on. Then whites emerged later.

These were blends that were sort of old standbys. Standard burgundy--and incidentally, I have claret here, so I guess maybe we did have a claret. And Zinfandel. And in that period of time we had Napa-Sonoma-Mendocino wines. It was a play on words there, where they mixed up the pronunciation and put the words together in a cute way on the t.v. or the radio. We had red, white, and rosé wines.

Speaking to that specifically, if that was Napa-Sonoma-Mendocino, it had to be North Coast grapes. We have to recall that at that particular time the price of North Coast grapes was increasing, so even then, as we are now, we were making an effort to come out with wines or brands that would use North Coast grapes and be able to command a price that would give us a return on those grapes. So that particular endeavor has been going on for some time.

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Jacobson:

I'm curious to know how many of those wines introduced in the period 1957-68 were introduced as a direct response to a competitor product already existing on the market, and how many were the first of their kind introduced on the market.

Rossi:

Are we talking about the flavored wines or the standard wines?

Jacobson: Both.

Rossi:

I think the standard burgundy and the standard Zinfandel was a competitive thing that had just been ongoing. I think the Napa-Sonoma-Mendocino was a clear example of trying to be innovative; that was a first for that. Probably that was the first proprietary wine that was brought out having been made from grapes from three counties.

Then I list blends such as Sweet Vino, light sweet red, and light sweet white. Those were in keeping with the times of

the emergence of red wines and white [table] wines, but these were specifically designed as more sweet.

Teiser: Were they for the Eastern market more than California?

Rossi:

I don't know that I could comment on whether they were specifically for one market more than another. No, I think it was fairly universal. The Italian population that we have on the East Coast, in New Jersey and New York, really like their red wines fairly heavy and less sweet. But we have to remember that Italian Swiss Colony brand, as such--at least initially, in the days after Prohibition--was never that strong in New York. The reason was that as a result of the difficulties of shipping grapes during Prohibition, my father and uncle and Enrico Prati made an arrangement with Gambarelli & Davitto in New York for them to monitor the quality of the grapes that were shipped from California to New York--and not always received in the best of conditions--and get them into cold storage before they would break down completely. I think they did that fairly religiously for us.

As a consequence, when Prohibition was over they made an arrangement with Gambarelli & Davitto, with them as a franchise bottler, to bottle the wines that we sent them. But rather than bottle them as the Italian Swiss Colony brand, they'd bottle them out as Gambarelli & Davitto and use the G&D label. So G&D reds were shipped directly by Gambarelli & Davitto, not really through a distributor; they had trucks that would deliver the wines directly to retailers. It was a very good business. But the point is that the G&D label was what was promoted in New Jersey and New York, and not Italian Swiss Colony.

In the meantime, our market in other parts of the country went along fine. For example, in Philadelphia I think we were probably doing business with Spatola, which is an old-time firm that was a franchise bottler. We had franchise bottlers in a number of areas. We had a franchise bottler in Denver; I think the name was Carbone. That was fairly common. We had a good share of the market under the Italian Swiss Colony brand in Chicago.

Teiser: Did you have a market in New Orleans?

Rossi: Yes. I think we were okay in most areas of the country. It was only in that New Jersey/New York area where Italian Swiss Colony wasn't that well known. But it was that way by design. Gambarelli, incidentally, was a woman--Victoria Gambarelli.

She was one of the first women executives in the wine business. She was a very bright person and a good business manager in those days. She was a forerunner of women in business today. Davitto was Bernard Davitto.

I also have other wines that we worked up prior to 1968 which were natural wines. We had a red, white, and rosé Paree; we had a red, white, and rosé Swizzle. Then we had Italian Swiss Colony chianti, which was different from the Tipo chianti. We had an Italian Swiss Colony Rhineskeller with, as I recall, residual sugar of around four and a half percent. We also had the [sparkling] Cold Duck. It emerged on the scene and was a blend of red and white wine, and part of the red wine had the Concord flavor in it. So that boosted champagne sales.

Through this whole span of time, if there was a consistent growth in anything there was a consistent growth in champagnes. I have here that from 1914 to 1918 there were one million gallons of sparkline wines sold; in 1948-1950 there were 1.5 million gallons. It was ten times itself to the 1969-1974 period of time, and by 1983 it was three times again, from roughly 15 million gallons a year to where in 1983 there were 43 million gallons of sparkling wines used. I guess a simple way of saying it is that total wines went from 150 million gallons to 477 million, which would be a tripling, in the span of time from 1948-50 to 1983. The sparkling wines, on the other hand, went up about thirty times, from 1.5 million gallons to 43.4 million gallons. And Korbel was in there early on, so you can see why they are such a success. They were just the early birds.

Jacobson: Staying within this '57-'68 period, what were the biggest sellers of all your flavored wines and other products?

Rossi: I daresay that Silver Satin was the single best seller that we had in the way of 20-percent-alcohol (which was maybe actually 19-percent-alcohol) flavored wine. Of the under 14-percent-flavored wines, Bali Hai, I would say, was the biggest seller. Again, we were first, and the first guy on the block is the one who gets the lion's share of that particular market.

Our sales on red wines were always strong in that period of time. But I would say the single strongest wine we introduced in that period of time turned out to be the ISC Rhineskeller, the white; because it was popular then, and it's still popular. It had staying power for over twenty years. ISC chianti had a good volume.

Teiser: Was that in a typical chianti bottle, like the earlier "tipo" wines?

Rossi: No. That was just a standard-shaped bottle.

Those would be the three standouts introduced during that period of time.

Jacobson: Were there any introduced during that period that fell flat?

Rossi: Oh, we had a lot of those. I don't think too much came of the three products prepared after mixed drinks. The Collins, the Zombie, and the Cuba Libre didn't amount to too much.

Another wine that we introduced was a half and half vermouth, half dry and half sweet. For some reason or another, to a traditional wine man that would seem like a crazy idea. But it wasn't so crazy. It made a different blend and it sort of emerged with a distinctiveness all of its own that had a charm of the flavor; it had a little bit more flavor than the dry vermouth, but it wasn't as sweet as the sweet vermouth. Somehow that tended to stick.

The Napa-Sonoma-Mendocino wines did fairly well, too. And we held our own on Cold Duck; that was a popular item. But I think that, industrywise, the Cold Duck made its appearance and then seemed to fade. I think on these new wines that come out it's important for a company to participate, particularly if you're one of the larger companies. But it's fairly important to understand that when you're allocating budgets for the promotion of new wines that it be done with a lot of consideration. One has to have enough money to fully promote the new item and get it off the ground, but at the same time a certain amount of caution has to come into the decision so that one doesn't go overboard on a wine that isn't destined to have a long period of popularity. At the time of making the decision to initiate, a person can't know.

Teiser: Did these wines take you into purchasing of materials-flavorings and so forth--that you were inexperienced with?

Rossi: Oh, yes, that was always a big problem. The problem, as often as not, was that people wanted the product yesterday. We always seemed to be struggling with high-temperature, short-term stability tests on wine that were designed to try to approximate what the wine was going to be like after six months or a year on the shelf. We never did pinpoint what the correlation was.

But what we did, we had a protocol that we followed in developing all the wines, but particularly the flavored wines. We would get an idea of what kind of a flavored product the marketing people would want, and then we would put out the call to the various flavor companies to send in samples. Say we were working with Swiss Up, which was essentially lemon and lime; we'd get a number of samples in of lemon and lime, and when we'd got all the samples that we wanted, we would add the flavors to wine and just make a rough judgment as to the intensity of the flavor.

Actually, we'd add them to the wines pretty much in proportion to their cost. We would arbitrarily say, well, let's add enough lime and lemon flavor to the wine that the investment in flavors would be, say, twenty cents a gallon (just to take a number out of the air). If you have twenty flavors and you can hardly smell six out of the twenty, obviously they've stretched the flavor to the point where you're not getting the value of the intensity of the flavor that you are trying to buy. So just on the quantitative measurement alone, some will be discarded.

The next judgment a person makes is just based pretty much on the characteristic of the flavor: do you like it or not like it? Does it have too much of a lemon rind or lime rind taste? Is it overly turpiney? Is it overly juicy? Or is it juicy enough? Those kinds of characteristics, just on a flat out, first taste.

Then we would add these flavors to wines and would set them up at three different temperatures. One we would hold cold, the other we would hold at room temperature, and the other we would put for five days at a hundred degrees. Then we would set them up at two levels of sulfur dioxide, one a fairly low level of sulfur dioxide, perhaps in the area of twenty-five to thirty-five parts to the million SO_2 -free; the other would be at a level that would be maybe double that--fifty to seventy parts to the million SO_2 -free. We'd also have another variable where we would test these wines: the bottles would be kept just partly full.

Essentially, what we were testing was the stability of the flavor under heat, as a reaction to oxidation conditions; as a reaction to reducing conditions which would be brought about by the SO_2 ; and then we'd taste the wines. When we got through that tasting, that would further cull out some of the flavors. We were looking for the most stable flavor under the widest range of shelf-life circumstances that we could possibly

imagine. Sometimes the sulfur dioxide would tie up with the citrus flavor and just totally offset it; it would get some odd, peculiar flavors.

Later on, when we got into working with almond flavors, which have aldehydes in them--it is commonly known that aldehydes and SOs combine. One minute you'd have an almond flavor, and by the time you put the SO2 in it would bind the aldehydes and you wouldn't have the almond flavor. So that's the sort of thing we were looking for.

Getting back to the Swiss Up example, we would then be working with the most stable flavors that we selected. Maybe out of twenty flavors we'd work it down to two or three that were exceptionally good. Then we'd put a mix in of the lemon and the lime flavors which we thought was pleasant. Then you had to work on the base wine--the neutrality of the base wine, the degree of vinosity or lack of vinosity that a person wanted, and of course, finally, the sugar and acid level. We'd put that together and present it to marketing.

Oh, as a matter of fact, in those days, almost before we would present it to marketing, sometimes we ran an enormous number of consumer taste tests here at the tasting room at Asti.

Teiser: How did you do that?

Rossi: Well, we had a regular machine going, I think [laughs]. We had two very good men on flavors. We had a fellow by the name of Frank Robirds and, of course, the other fellow was Ferrer Filipello. I don't remember the exact date that Ferrer came to us. We'd make up these blends during the week and then we

would test them on the weekend.

We'd have fifty consumer taste tests, and we'd have them broken down rather simply by sex, extent of consumption, age, and then the preference. We had a scale of maybe one to ten degrees of liking or disliking, and they would mark it off. We would total the scores on the fifty taste tests, which actually was a comparison between one variable between two different products. We could have the same sugar and acid level, but we would have a little bit more intensity of lemon and lime flavor in one versus the other. Then we'd run another test where we'd keep the lemon flavor the same and increase the lime, and we'd run another test keeping the lime flavor the same and increasing the lemon.

So all these variables we'd test out fairly thoroughly, with the idea of getting a consumer reaction. And they worked very successfully, because even though people weren't that precise on being able to verbally describe the differences, they were a lot more precise on their taste results.

Teiser: When people came into the tasting room, did you ask them to fill out a questionnaire?

Rossi: Yes. We'd have the consumer taste testing set up in the back. We had two young ladies who would come in on weekends and work all day Saturday and all day Sunday. They'd say we were running some consumer taste tests in the back, and invite visitors to participate. Most people responded very quickly. Sometimes we'd maybe garner three to five hundred taste tests over a weekend. By noon on Monday we had them all worked out, and by afternoon Monday we had the results.

Then we'd work up other blend variations that we'd want to do, and we'd do that from Tuesday to Friday and be ready the next weekend. It just worked great, because we had a lot of work to do, and it was very inexpensive. It seems to me that the expense of running these taste tests--I hate to tell you the figure, because if I tell you the figure it's going to make everybody else look as if they were the original spendthrifts. I think it was around ten or fifteen cents a test, which is like the price of a cup of coffee in 1900 or something [laughs].

Anyway, they were fantastically helpful to us. Then we'd go down and review the results with the marketing people. This wasn't designed to be a very sophisticated rundown.

Teiser: Did you have any way of checking the results?

Rossi: Well, sometimes we'd run our proposed blends against existing competitive wines. If it was important enough, we'd run one hundred taste tests to see if the second fifty confirmed the first fifty. During the summer it was an absolute bonanza because we'd have people from all over the country, people on vacation going through the winery. We had quite a bit of variability. So that was very helpful to us and really gave us a lot of guidance.

Jacobson: I was curious about Silver Satin. You said that was one of your best sellers, and that it was introduced in response to Thunderbird. You also said that it has been your experience that when you weren't the first out with a product, it didn't

do as well. What do you think made the difference with Silver Satin?

Rossi: Silver Satin was relatively a successful item with us, but I'm sure the volume never was close to Thunderbird's, for two reasons: one, Gallo introduced a good product early on; they were the first. And secondly, they put an enormous amount of money behind it.

Teiser: Thunderbird was said to be the most alcohol for the money on the market. Was that right?

Rossi: Probably so. Because it was 20 percent alcohol on the label, and of course the California labeling regulations allowed us a plus or minus 1 percent actually in the wine, in contrast to what was on the label. So if it was 20 percent alcohol on the label, it meant that the wine had to test 19 percent or better, which meant that most of the bottles would be 19.1 percent to 19.3 percent. It was likely in those days that it was Thompson Seedless that was used as the base wine, and the price was quite inexpensive.

Looking at it another way: I don't know what the price of those wines were, but whatever they were--if they were \$1.50 a bottle, you still had a full (in those days) 757 milliliters; and if you look at it from a proof point, you had 38 to 40 proof of alcohol in that bottle, and that was half of the alcohol that one would have in a bottle of whiskey or a bottle of brandy. Because the bottle of whiskey or brandy would be 80 proof, so they were only 40 percent alcohol. And a bottle of whiskey (I'm not very good on prices) was probably in the area of four to six dollars a bottle. Without trying to get very specific on the comparison of prices of Thunderbird and Silver Satin in those times vis a vis the distilled spirits, that would be a true statement.

Of course, it was in response to the fact that, I think, the blacks in the South used to buy white port, and then they'd take a drink of the white port out of the bottle and then put concentrated lemon juice in the bottle and mix it. That was the way they used the white port. So then Gallo was perceptive enough to come along and say, well, if that's the way they want to drink the white port, we'll give them the white port already mixed.

The other advantage you had in making the Thunderbird in the same way as we did in making the Silver Satin was that the source of the sugar didn't have to be grape sugar; it could be sucrose. That made a difference in the taste. Sucrose made it a softer taste, and you didn't have the non-sugar solids that you get in grape concentrate. It turned out to be a smoother product. As a matter of fact, that goes without saying for all of these flavored wines. We were able to use flavors and we were able to use sucrose.

Flavored Wines of 1968-1983

Jacobson: Why don't we move to the products introduced after 1968?

Rossi: Okay. The scene now, in 1968 or 1969, was that table wines had already overtaken dessert wines--

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Rossi:

-- and furthermore, the flavor wines were still going strong, except we were heading into an era in the early 1970s where the 20-percent-alcohol flavored wines were going to be about flat, and the lower alcohol flavored wines were going to become more popular, with a peak in about 1974. And at that time in the history of the wine business, as exemplified at least by Sonoma County grape prices, 1970 was the first year in history that the average price of grapes in Sonoma County was over \$200 a That was somewhat of an aberration, as a matter of fact. I guess there was an increase in the demand for the grapes simply because they needed the wine, and it was the lowest year of acreage yield in a number of years. There was only one and a half tons per acre yield, so there was probably some crop loss that year. What I'm trying to say is that there was apparently a double effect there: there was an increased demand for the wine and a decreased supply.

So that catapulted the average price per ton in Sonoma County from \$133 per ton in 1968, to \$166 per ton in 1969, and \$256 per ton in 1970. And then it kept going pretty much straight up.

Teiser: I believe earlier in that "Historical Perspective" you pointed out that in the middle thirties, at the time of the prorate, it was \$12 per ton.

Rossi: Exactly. So that was the scene post-1968. In our company that was just exactly the year that Heublein made their entry, in

1969. You can see that they headed into an era in the wine business that was going to be pretty tough going.

Then our thrust was pretty much towards flavored wines. [looking at confidential company reports] As a matter of fact, our production of 20 percent flavored wines peaked in 1972. On the other hand, the 14-percent-flavored wines were picking up a pretty good head of steam, and they peaked for us in 1976. Therefore, our thrust was to try to maintain or slightly improve the sales of our 20 percent flavored wines. But we were really into the 14 percent alcohol flavored wines at that particular point in time because, without divulging the actual numbers, at the peak of the 14 percent flavored wines our volume was five times the peak of the 20 percent flavored wines.

I don't think that we were any aberration from the industry, because it shows over here on these figures for U. S. wine consumption (which, incidentally, I have through the kindness of Lou Gomberg) a peak of about 12 million gallons for 20 percent flavored wines in 1970, and a peak in 1974 (which may not be the precise peak) of 52 million for 14 percent flavored wines. So this is about a four and a half to one ratio, and our company had a five to one ratio. So we were just about in sync. It's hard to be really different from the industry anyway.

In any case, that's sort of the background of what we had. Therefore we had the flavored products after 1966. One was called Key Largo; another one was called Sangrole, which was a sangria type; Zapple was an apple-flavored type; and Waikiki Duck I think was a tropical-flavored sparkling wine. You might remember my having mentioned a few minutes ago that the 20-percent-alcohol wines came out first, and then one of our most popular under-14-percent wines was Bali Hai. Bali Hai would have been about a 12-percent-alcohol level.

After 1968 we got into another total area. We got into our Annie Greensprings, which were in response and competitive to Gallo's Boone Farm wines. The alcohol levels on these wines were about 9 percent to 10 percent. We had Annie Greensprings Cherry, Annie Greensprings Berry Frost, Annie Greensprings Peach Creek, Annie Greensprings Plum Hollow, and Annie Greensprings Apricot Splash, all pretty much made with the same protocol as I described for the 20 percent flavored wines but with lower alcohol levels. That was one marketing thrust, and there we had the flavors clearly delineated.

Some time later we came through with another series of flavored wines, where we thought we might be able to stretch out the life cycle of the flavored wines by not mentioning the fruit flavors. We gave imaginative, proprietary names to them: Mellow Days, which I remember was a strawberry-flavored wine; Easy Nights, After Hours, Magic Moments, and Stepping Out. I can't answer my own question: I'm not sure whether the T. J. Swann wines had a longer life cycle, vis a vis the Annie Greensprings, or not.

Those were our offerings.

Teiser: How did you coin the names--did you have an advertising agency think of them, or did someone here come up with them?

Rossi: I think that was pretty much a function of the sales and marketing people. We probably had an ad agency that would design a name or a label or a concept for introducing the new product.

Teiser: Did you do any research on the names, which kinds would work better than others?

Rossi: The marketing people would. They'd put a name and a product to what would be known as focus groups, with the idea of getting a cross-section of consumers' reaction to the product and the name. On a number of occasions I was invited (I was never excluded) to go to some of those focus sessions, but just simply never took the time to do it. They were fairly interesting sessions, and I think that they were worth the effort to do. It's my own personal opinion, which may not be totally authentic, but I think when a person is in the area of introducing new products, your hope is to have a big winner, but on the conservative side you want to avoid a big loser. You want to avoid any losers. So the consumer taste test on a product, and the focus groups on the concept, label, and the name -- they can't all be big winners, but if they can head off the losers--I think those purposes were served by what we were doing.

##

Teiser: In the matter of coolers, are they direct descendants of the low alcohol wines?

Rossi: I have to think about that for a moment. Yes, there seems to be a consistent trend, from 1957 to 1987, over that thirty year span. In 1957 we were still in the era where we were shipping

considerably more dessert wines than table wines. The first wine that anybody thought of introducing in a flavored wine was a 20-percent-alcohol flavored wine. As time went by, the popularity of table wines increased and the attention turned to, say, 12-percent-alcohol flavored wines, vis a vis Bali Hai which would be one example. Even some of the 20-percent-alcohol wines that we talked about we had out at 16 percent alcohol for one or two states, and we had them out at under 14 percent alcohol. The next step down from 12-percent-alcohol flavored wines was to drop down to the 9-percent or 10-percent-alcohol flavored wines. Then we find in the 1980s that we're talking about coolers, and we're not even concerned about a wine category. We're talking about a cooler which is not 7 percent alcohol anymore, and if it's below 7 percent alcohol it's not considered a wine.

On the one hand a person might take the position and say that there's no relationship between a cooler and a low-alcohol flavored wine. The low-alcohol flavored wine is at 9 percent; the cooler might be at 6 percent alcohol. You still have wine in the product, and you're still building up the product to have a good taste balance, and the flavors are there. The only thing that has been projected into the equation is the use of juices, and the juice adds an extra dimension of taste. So we're almost following a sociological trend towards lower alcohol products, the use of juices, which are more healthful, and you might say lower calorie drinks, because as the alcohol goes down there are fewer calories.

While there aren't neon signs going on about these coolers, they are in concert with sociological trends that are happening. They are healthful, they're easier to drink, they seem to be more popular, plus they are easier to reconcile with the fact that there's a movement against alcoholic beverages. That could be subscribed to by some people as worthwhile. But instead of these more radical approaches towards solving the problem of alcoholism, or even alcohol and driving, we can get into a solid educational program. We have a good educational program, and the problem is still there, and it's being reflected in the selection of beverages. So I would say there is very definitely a tie-in. And, of course, it's apparent that over the last few years these coolers have become very, very popular, and they have become a significant asset to the wine industry.

Where we'll go from here is difficult to tell. It's common knowledge that in the summer or fall of 1987 we had a flattening of cooler sales. I don't know what that portends,

but I would agree that if you're going to stay in the game you have to have exceptionally strong financial resources.

Teiser:

Another trend that I haven't heard much about recently, that I think Jerry Lohr keeps following, is simply lower-alcohol, more or less traditional wines, and no-alcohol wines. He is using, I think, reverse osmosis. Did you ever follow minor trends like that?

Rossi:

Well, we did come out with a low-alcohol wine called Asti Spumante. It was made with Muscat. It had a nice flavor and no alcohol, made in conjunction with equipment that Fresno State University had. Essentially we took a dry Muscat and put it through some kind of a vacuum system that took the alcohol off, and then we added juice back. And we came up with quite a palatable product. Then we carbonated it. It was an okay product. The reverse osmosis I'm sure puts out acceptable products, but it has a limited production volume there; it's slow.

My own opinion is that these low-alcohol or no-alcohol products--let's talk about no-alcohol products for a moment: you essentially need to have a significant sales and marketing program. What do you do? Do you put them in with the wines, or do you put them in with the juices? Do you keep them on the shelf, or do you put them in the cold box? The lack of shelf space is one of the more serious problems that the wine industry has these days. Between the new offerings coming out of California, to say nothing of other states in the United States, plus imports, I don't think there is a store in the United States that you can go to that says, "My goodness, I'm glad you walked in the door. It just happens that I have twenty linear feet of shelf space that I want to fill up." It's just not happening. The number of offerings is just mindboggling. The fight for that shelf space is where the real battle is. To introduce not only a new item but a totally new concept, when it's difficult to get people tuned in to what you have already -- what I'm really saying is that instead of a noalcohol wine, people may say they might as well drink juices. It's such a totally different category.

Teiser: Juices are a lot cheaper.

Rossi:

Sure, and they're easier to make. Sometimes there's a great deal of disparity between what would seem right on paper and what practically is achievable. Sometimes what is practically achievable for a relatively small winery is not practically suited as a product to pull an industry out of difficulties.

think the coolers are here to stay, but I don't know if the growth will continue to stay as strong as it has been. I would also venture to say that in the area of blush wines, including White Zinfandels, they may peak, but I think they've hit a chord with the American public. They may level out and at the same time bring consumers to try white and red table wines.

Teiser:

Do you think the traditional wine types are going to stay in about the same balance that we have them today--sugar, acid, and so forth? Will they taste the same?

Rossi:

[pause] I would hope. And maybe it's a realistic hope that as time goes by people will, on the traditional wines, break away from too much sweetness and too much blandness and too much emphasis on lack of tannin, to recognizing the place for less sweetness and a little bit more tannin--I'm talking good tannins, not press wine tannins; tannins that are soft--and would lead to an appreciation of a wine that is more aged; that would lead to an appreciation of a white wine that has an age tone to it without being oxidized, but at the same time doesn't necessarily have to have the degree of freshness that seems to be demanded today.

By the same token, I think that maybe somewhere along the line there will be a greater appreciation of red wines. Because as people begin to tie in food and wine they'll begin to see that they don't always have to have a white wine. Not that I have anything against white wines, but I personally think that red wines to a large extent are more complex than white wines. I don't think that's fully appreciated. But I'm not sure that won't come about fairly soon. American industry and American consumers seem to have the ability to compress time in the world, if anybody can. So I don't think we have to look for a generation or two generations to change these things. It could happen a lot faster.

Jacobson:

To what extent would you say has the popularity of the blush wines, including the White Zinfandel, displaced the popularity of, say, flavored wines?

Rossi:

The volume of flavored wines has gone way down--the special, natural flavored wines. I think we have the coolers, which is a plus. Maybe the coolers are detracting from some of the jug wine business, which is hurting. I really haven't looked at the statistics, but my hunch would be that the blush wines have displaced some of the more traditional rosés. So what was a more traditional rosé is now being moved into a blush type.

Essentially what we're saying is that we have a very, very pale rose instead of a rose of normal depth of color.

Jacobson: Maybe I should ask what you think has accounted for the ebbing of the popularity of the fruit-flavored wines.

Rossi: I think that the American consumer doesn't have all that much loyalty to products. They tend to be sort of a shifting group, and unless you catch their fancy on something that is really solid that they are ready to stay with over a long period of time, they'll move into a category of a beverage and then move out of it when there's something new. And if there's one thing that's sure on the American scene, it's new offerings in markets in almost every area of food and beverage.

> In a certain sense, the more intensely flavored something is, the larger the risk of olfactory fatigue, not only when you're consuming an individual bottle. When you taste a bottle of wine that has a very intense flavor of another fruit added to it and it's fairly sweet, the person will say, "That was a lovely wine, but I had trouble getting to the bottom of the bottle." Unless you take that wine and mix it with a soft drink, which dilutes it. What I'm trying to say is that if olfactory fatigue is established in a consumer's mind on one bottle or two bottles, then it seems to me that would tend to diminish his desire to buy a case.

> Whereas on chablis, a person either likes it or he doesn't. If he likes it, there's no olfactory fatigue. He might figure, "This is 1.5 residual sugar, and I might like it a little bit sweeter, or I might like it a little bit dryer. but the fact is it does pretty well with whatever I'm eating." So come the 10th of November, you put a case of wine in to carry you through Thanksgiving and Christmas. You think nothing of buying a case of table wine. But I think a person would think twice about buying a case of flavored wine. That's just my own opinion. The more intensely flavored, the faster the olfactory fatigue, not only on one bottle but on the reuse of the wine.

Teiser: I think Ernest Wente said that their Gray Riesling was figured out on that basis. It didn't have a very salient flavor and he thought it could be consumed day after day.

Yes, I think that's true. If you make a wine that's palatable and you're not afraid to have a fairly strong acidity with a good, low pH, without overdoing it, then the flavor stays with a person. There are a lot of imported wines that are quite

Rossi:

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popular that don't have a great deal of flavor; they are fairly neutral, but they seem to hold that popularity.

Teiser: Soave?

Rossi: Exactly.

Traditional and Innovative Wines of 1968-1983

Rossi: The other wines that we developed in this period of time after 1968 were the table wines. The Navalle wine was first worked up in late 1971 or early 1972, and that was a very big move on our part. We had a burgundy, apparently we had a claret, we had a chablis, a Rhine, and a rosé.

Teiser: Were those all actually Napa Valley grapes?

Rossi: No, they would have been, at least initially, predominantly North Coast grapes. As time went by the percentage of North Coast grapes that we could put in them had to drop, just from the economics of the price of grapes from the North Coast.

Teiser: How did you happen to develop the Navalle blend?

Rossi: We decided that we had to develop table wines. Prior to the Heublein buy-out we did have the Inglenook estate wines, and then we had the Inglenook vintage group of wines. That was prior to 1969. There were a number of wines that we can allude to that we brought on the market in an effort to increase our table wine sales. The first and foremost by far was the Navalle wine, which was initiated in late 1971, and I believe first sold in 1972. I can remember that occasion very clearly, because at the time Mr. Solari was still the president of the company and we had a discussion as to which brand name we should introduce to complement the Italian Swiss Colony wines. There was a considerable amount of consideration given to the decision as to whether it should be Lejon or Inglenook Navalle. And they decided that of the two, the Navalle would be the more popular and would have the greater chance of success.

> So we introduced Navalle wines, and at that time they were all generics. We had a burgundy, a claret, a chablis, a Rhine, and a rosé. We introduced them and we had very good success through the years. It lasted into the 1980s, and they're still

going strong. So that Inglenook Navalle brand is definitely a success story.

Teiser: What standards did you bring those wines to?

Rossi: When we first started out they had a very high percentage of North Coast grapes in them. Then as time went by we had to cut down on the North Coast grapes more and more.

Teiser: Why?

Rossi: Because of the cost factor; because of the cost of the grapes. It was just inevitable that that had to happen. We looked for a distinctiveness of the wine, we looked for a good balance on the wine, we looked for a certain freshness. We wanted no faults in the wine. We wanted a wine that had a good mouth feel in the case of the reds, and we wanted a pleasant sugar/acid balance with a fresh, fruity aroma in the case of the chablis, the Rhine, and the rosé. Something that was essentially pleasing to the palate of the consumer without necessarily being cloyingly sweet. And I think we managed to do that. I think that over the years those wines have maintained their quality.

Teiser: You weren't trying to make those wines for aging?

Rossi: Not with the Navalle. They can be aged, but they were essentially for the consumer to use now. We were obviously taking advantage of the name and the prestige of Inglenook, and we may have been subject to criticism for that.

Teiser: I think there was some criticism of the name Navalle because it wasn't all Napa Valley grapes.

Rossi: Yes, I think so. But again, you see, if you look to a very small group, maybe one tenth of one percent of the consumers, that are familiar with the point that Navalle is a contraction of Napa Valley, then one would be subject to criticism for that group. I know there was one wine writer who took us to task on that point. The fact is that Navalle turned out to be a brand that represented a good value to the consumer. As a matter of fact, the Navalle line impacted on their Napa Valley estate wines. They turned that around and put through extraordinary efforts to make wines of top quality. They increased the distinctiveness of the Inglenook estate wines in order to create a very definite distinction between the Inglenook Navalle and the Inglenook estate. It was a difficult marketing

job, and I think they went about it very astutely and honestly and just did the best they could in a difficult situation.

Teiser: When did Beaulieu come into this?

Rossi: They did buy Beaulieu during that period of time, in 1969.

Teiser: Did you have any contact with Beaulieu?

No. I'll say this: they bought Beaulieu after they bought United Vintners, and they were very careful always to keep Beaulieu at arm's length from Inglenook and from United Vintners, and with good reason. They did not want it to be said that the wines of Beaulieu were the same as Inglenook or were wines that were associated with United Vintners. Not that there was anything wrong with United Vintners wine, but they just wanted them to be separate entities in the public's mind. They were always operated as separate entities. They went after their own grapes, they had their own standards for the grapes and the wines, their own methodology for making wine, their own marketing organization. They were totally and absolutely separate. As a matter of fact, Legh Knowles was very protective of Beaulieu brand, and he did a very good job for them in protecting Beaulieu.

Teiser: They pulled that off. People don't think of Beaulieu as allied with any other brands.

Rossi: No.

Rossi:

There were other wines that we introduced during the Heublein period in an effort to sell table wines. There was a Heritage Colony and a line of Lejon Cask wines. They went into the 1970s, having been started before 1970. We had a wine called Chill Light Burgundy, which was a very light-bodied wine that a person could serve chilled, and the chilling of the wine did not increase the tannin taste. That was a pleasant wine, but that didn't last beyond several years, to 1982.

Then we had another wine to compete with the Lambruscos that were being imported from Italy that was called Borsalino. That unfortunately didn't do too well. I think the marketing idea could have been a little bit better on that one. They said, "Here's Borsalino: not too sweet, not too dry; just right." The implication was that it was compared to the Lambruscos, but if a person didn't know what a Lambrusco was, the comparison tended to leave people up in the air. I think that was one wine that we could have done a better job of

introducing. That and the fact that it was difficult to make a wine that was comparable to the Lambruscos.

Teiser: Are the Lambruscos that different from anything else?

Rossi: Oh, yes. The Lambrusco grapes are very heavy, very dark grapes. They have the characteristic of being very dark but not necessarily very tannic, so they're not very harsh. They have high color tannins, but the other tannins are not so high in relation to the color tannins. So they have the characteristics of being very dark in color and still maintaining a certain softness. But in order to maintain a balance with the high tannin, one can increase the acidity and also have a high level of residual sugar and it comes off as a very well-balanced wine.

Teiser: Couldn't you do this with Missions?

Rossi: On, no, because Missions wouldn't begin to have the tannin level. It's a very, very dark wine. Oh, maybe with something like a Royalty or a Rubired you could approach the intensity, but they don't have enough intensity or flavor characteristics. Besides not having the best message to convey the merits of the wine to the consumers, the only other problems were that we didn't have the right grapes, the right weather, the right soil. Other than that we didn't have any problems. [laughter] That came in 1980, and by 1981 we had to give it up. But we still went in where angels feared to go, and sometimes we came out all right.

Soft Wines

Rossi: Another line of wines we had were the Lejon soft wines in 1981-1982, where we had a burgundy, a Gamay, a chablis, a French Colombard, a rosé, and a Chenin blanc. They were a pleasant group of wines that did quite well for several years. They tended to be a little bit sweet, and so perhaps that shortened their life cycle. I'm not sure there was anything wrong with the wine.

Teiser: How did you define the term "soft"?

Rossi: Well, soft probably had a little bit less tannin and a little bit more residual sugar. They were just pleasant tasting.

The frosted bottle was fairly imaginative. As a matter of fact, it was one of the best packages that we came up with. And Heublein was strong on packaging; they had good ideas on packaging. Not that they didn't have good ideas on product-they had good ideas on product, and they listened and looked for innovation; they were responsive to it. It was a pleasure to work with them.

Lastly, we had a group of wines called Jacaré, introduced in 1982. That was a white wine, a rosé, and a white rosé. That had a fairly good life span. They were pleasant wines, easy to drink, not all that traditional. But probably the most distinctive thing about the Jacaré was a frosted bottle. It was a very attractive bottle, and I think that was what attracted people to the wine. Then once they tried the wine they liked it and kept right on going. The white rosé was a blend wine ahead of its time. The packaging there, I think, carried it.

That gives a bit of an idea of our efforts to hold our own in the table wine business. Of course, the amount of red wine and white wine that was sold with the Navalle label, and the amount of red wine and white wine that was sold under the Colony brand was not insignificant. We were trying to have other brands that would keep up with demand and hopefully increase our share of market.

I think it was in 1981 that we introduced Italian Swiss Colony varietals. As a matter of fact, that wasn't the first time Italian Swiss Colony varietals were put out, but I think we had a new package and a new emphasis on Italian Swiss Colony varietals at that point. From my own part in the organization, I had tended to taper off in the mid-1970s away from the day-to-day quality control, and even from quality assurance. I stayed in the area of doing some practical research, but I stayed with the product development--that is, the development of new blends.

With the introduction of the ISC varietals from 1981 on, I also started to get more and more into public relations work. Not to the exclusion of the technical end, but a considerable amount of my time, perhaps 20 percent, was involved in PR work, which I enjoyed doing. I always felt it was important. I never wanted to get away from actually doing blends at the bench, because I felt that was what I enjoyed doing most and hopefully did well. I didn't want to lose touch with what was going on in the technical end of wines.

That about did it for the period after 1968 to 1983. One of the last blends that I worked on were wines called Navalle Blanc de Blanc and Grenache, which turned out to be good items for the Navalle label.

Jacobson:

I noticed from looking at R and D budgets that from 1970 on they were doubling each year, getting quite big. Was that Heublein's--

Rossi:

Yes, they supported our R and D effort up here at Asti. Much of that R and D effort went into these flavored wines. And then we stepped up our quality control effort. Having started with this in 1959, where our mission was one of quality control and R and D--with the emphasis on the D, development--by the time fifteen or sixteen years had gone by it was true that our budget ten-timed itself (without getting into specific numbers) over that span of years. But, you see, we were doing all of the work up here at Asti on laboratory research, but on practical projects. Then we got into process development, appraisal of equipment for use in the winery, and we had developed a more sophisticated quality control team, which included sanitation and microbiology. And, of course, we stayed with product development.

We even had on the drawing boards drawings for an R and D center here at Asti, but the prevailing thought at the time was that the quality control was critically important in Madera, because that's where the volume of the wines was being bottled. They didn't feel that it was a good idea to have quality control at Asti with the major portion of our business going on down at Madera. That made a lot of sense.

I hated to give up on the idea of having that R and D center here at Asti. What might possibly have emerged was an R and D center at Asti, just for R and D, and then the quality control at Madera. The difficulty is that, as R and D units go, we weren't that large; it didn't make too much sense to split the two functions. Because if you have a quality control or a quality assurance center where you're set up to run a routine analysis in some volume and with a good degree of accuracy, if the research or the product development people need analyses done, then those people are the ones who do the analyses. It's better to have one group to do those series of analyses rather than split the group.

So it was decided, then, in 1973, that this whole function of quality control and research and development would move down to Madera, which it did. They built a handsome and very

practical R and D center at Madera. It was in 1975 that Mrs. Rossi and I moved down to Madera to be part of this group. From 1975 until 1980 I stayed associated with this group, and in a certain sense I'm still associated with this group. But I prescinded from the day-to-day administration of these functions and pretty much concentrated my effort on product development and some research projects, not the least of which was a project on grape color extract.

In 1980 I devoted some of my time to public relations.

Teiser:

Did that include your work with marketing, then?

Rossi:

Yes. Well, public relations had a two-fold function. For example, I would go to a city and introduce a new product to newspaper people or magazine people or radio people or t.v. people. And at the same time I'd visit our distributor and make a presentation to our distributor salesmen of the same product. So when I say public relations, I'm really talking the media as well as distributors. That for me was easy and it was enjoyable. It's just important that you don't get too good an opinion of yourself, because when you come home you find out that you're not as smart as they think you are [laughs].

¹For further discussion of quality control, research, and development, see pp. 113-114.



The Petri Period, Continued: 1953-1960

[Interview 4: 7 March 1988]##

Teiser: To go back to the Petri period--how did they handle Italian

Swiss Colony staff?

Rossi: During that period of time, once they had taken over Italian

Swiss Colony, there were a number of people on the Italian Swiss Colony staff who stayed with the company. I was one of them. I moved from San Francisco up to Asti and got involved in the winemaking at Asti from about 1953 until 1957, when I became the director of research and development and quality

control.

Teiser: Were you director for all of the wineries in the group?

Rossi: Yes, for research and development and quality control. Up to the time they asked me to be the director for quality control, we had an in-house quality control group where the wipemakers

we had an in-house quality control group where the winemakers at one plant would act as a check on the wines of another plant. But then it got to be a little bit too cumbersome and

it was decided it would be better to put it in one place.

The thing that actually gave the momentum to start a separate group for R and D and quality control, to be truthful with you, is the fact that in 1957 Gallo came out with its Thunderbird, which had all the earmarks of being a huge success. I remember Mr. Bianchini asked me for a comparable product in six weeks, because we just couldn't stand still and not have something competitive on the market. So we did it, and it worked out okay. It worked very well, as a matter of fact. Our comparable product was called Silver Satin, a lemon-

flavored white wine.

Teiser: What was Bianchini like? Can you characterize him?

Rossi: I would say that he was a very bright person, and he had years

of experience. One way of putting it would be to say that he knew his way around the block as far as wine was concerned. He was a veteran in the wine business, and he had worried through Prohibition, and when Prohibition was over he got started up again with Petri. He was just a good, practical man. He was quite a good wine taster. I remember being on a panel tasting wines with him and John Daniel at Inglenook. He had a practical approach to things. He was interested in quality, but he wasn't interested in quality that had to be attained at a price of being too impractical, where there would be risks

taken at the plant level because there would be open tanks of wine. There was a practical way of doing things and a sensible way of doing things, and then there was a "book" way of doing it. Sometimes the book way isn't necessarily the most practical way. So he was a pleasure to work with. I learned a lot from him.

His assistant turned out to be my cousin, Bob Rossi. He became assistant production manager in 1956. Bob, I would say, was not a trained enologist, but again his background fitted Bianchini's very well in that he had a lot of good common sense and was a good administrator. He made good judgments; he saw the forest, not the trees. So that was a good combination. We all worked pretty well together.

Teiser: How about Benjamin Mortara?

Benny was the money watcher, and he was a good man in that Rossi: regard because he watched the day-to-day expenses, but not at the expense of being ridiculously penurious. But at the same time I think he was a good offset to Louis Petri, because he would point out to Louis--well, he knew Petri well enough that he could speak up to him, and he would tend to curb some of the impetuousness of Louis Petri. He'd say, "Now look, Louis, I'm not sure we ought to go all the way that you're suggesting." And Louis would listen to him, and Louis needed somebody to listen to. Because, after all, Benny was on his team. It was just a team approach, and it was almost a family approach, where one listens to the other and gives considerations to various aspects of a problem. And I think Bianchini was in the group. He certainly was family, and Louis listened to Bianchini. In some of the history write-ups Louis acknowledges that he had a great deal of respect for Lelio Bianchini, or Bob Bianchini, as his friends called him.

But there was no question about it that once the facts got on the table, Louis Petri was the one that said go. And when he said go, the rest followed. Even if there wasn't absolutely one hundred percent agreement, once it was go, then they put their shoulders to the wheel and decided that if there was any way on God's green earth of making something go honestly, they would do it.

I think another thing we might talk about for a moment is that it was in 1957 that the S. S. <u>Angelo Petri</u> was launched. I don't have an intimate knowledge of the difficulties that the wine industry was running into at the time with respect to the

railroad tariffs for shipping wine east, but I think we have to remember that in 1957 we were still shipping a preponderance of dessert wine over table wine. And I suppose maybe the railroads were getting too ambitious on the rates that they wanted to charge the wine industry. So one of the ways of beating this was to figure out an alternate way of getting wine from the West Coast to the East Coast, and Louis Petri did that.

He launched a project to reconvert a Liberty ship to a wine tanker, and it was not a small undertaking. The ship had to be put together, and they built a receiving depot at Stockton for wines to go from points in California to Stockton so that when the ship arrived in Stockton it could be loaded immediately. Of course, the idea was to keep the ship going as constantly as possible. We weren't making any money on the ship as long as it was sitting for days in port, so within reason the ship would come into port and would be loaded immediately.

Then it would leave and go around and stop at a port, I believe, in Houston, where there was another depot. Wine for Chicago was loaded onto barges that would go up the Mississippi and then unload at Chicago. The rest of the cargo would go around from Houston to Port Newark, where it would unload at Port Newark for wine to be discharged to the East Coast--the New Jersey and New York markets.

To my recollection, I don't believe we ever shipped any white wine bulk. I think it was quite a bit of red wine, particularly for the New Jersey and New York markets, for Petri's Pastoso line and our G&D, and much dessert wine. They stood the voyage, I would say, quite well. We had to be scrupulously careful about cleaning the tanks and the sanitation, and we had our share of near heart attacks when we'd receive a sample of white port that would have a red color in it. We would think it was red wine that had gotten into the white port. On closer investigation we'd find that the man who took the sample hadn't cleaned the thief out from the red wine, and then he took a sample of the white port and put it in the bottle. We'd get a sample of pink-colored white port and wonder if we didn't have forty or fifty thousand gallons of contaminated white port. (They would not have been contaminated in an ill health or sanitation point of view, but from a wine point of view.) We might have been premature in having a blush white port by about thirty years. [laughter]

Teiser: As

As I remember, when the tanker ran into trouble you had to do some special analysis.

Rossi:

That was an interesting time. Incidentally, the tanker handled about 2.5 million gallons of wine. I believe it was in 1960 that, just outside the Golden Gate, when it was very stormy, the ship took waves in the stack and blew out the generators. So the ship was afloat, really, without being able to make any headway. It was just floating aimlessly out there on the other side of the Golden Gate. How near it was to the Farallones, I'm not sure. It may have been close enough that it prompted Herb Caen to refer to the incident in his column the next day as "Petri on the rocks" being the new "in" drink.

What they did was to send barges out and brought it back into port, and then they sent several of us down from Asti here to take samples of the wine. You see, in those days we used to take samples of the wine from the tanks at Port Stockton, and then we'd take comparable samples as holdback, those quality tasting samples plus holdback samples from the ship tanks. Then we would compare the two, and then we'd have holdback samples that we'd keep for perhaps a year.

We went down and took samples from the ship tanks. Of course, we were smelling the wine or tasting the wine or checking the aroma of the wine, and declared that it seemed to be fine. But that was with considerable reservations when you think that we had all the various odors of the San Francisco waterfront conflicting with the wine aromas. I think we could tell pretty much; maybe we couldn't appreciate the good qualities about the wine, but we could tell that it wasn't too bad. The critical issue was whether or not salt water had gotten into the tanks. We were down there in the afternoon, and we brought samples back here to Asti--there must have been fifty or sixty samples--and started to analyze them. We analyzed both the samples from the tanks at the depot as well as the tanks on the ship. We ran a complete analysis and found that they coincided very closely.

But the interesting point was that just a matter of several weeks before we had bought, for \$1,500 or \$2,000, our first D U spectrophotometer. This spectrophotometer, with a flame photometer attachment, had the ability to determine sodiums. I don't think I'll ever forget that salt water contains ten thousand parts per million of sodium. Now, the normal sodium in wine would run somewhere between fifty and a hundred parts per million. So if there was as little as a

l percent contamination of salt water in the wine, with a normal alcohol analysis of, say, twenty, you could have an analysis of 19.8 and it would be within the limits of the ability of the analysis—the two tenths. It would not be solid proof that water, fresh or salt, had gotten into the wine.

The key analysis that told the story was the sodium analysis. Because if I percent salt water had gotten into the wine, then I percent of ten thousand parts to the million would be a hundred parts per million of sodium in the wine, which would have doubled, if not more, the normal content of sodium in the wine. Say the normal content was 75, then with a I percent contamination it would have been 175. So all the comparative analysis of the samples taken from the port of Stockton tanks, in contrast to the ship samples, were all plus or minus maybe ten or fifteen parts per million which again would be within the limits of the method of analysis.

In the meantime, Louis Petri had made the statement to the papers that he was quite confident there was nothing wrong with the wine, that it was all right. We finished our analysis about one in the morning, and I remember we caught a two o'clock mail truck. At seven o'clock the next morning this report was delivered to Mr. Bianchini's desk, and of course he was elated when he could see from the sodium analysis that we were, in fact, 100 percent okay. Samples had been sent out to a commercial laboratory, and samples had been taken by a California state organization, but their analysis didn't come through for a week or two or three later. But it was by the next morning that they were able to be confident that the wine was okay. That dramatically showed where instrumentation was going to be a part of wine analysis, and it worked out fine.

Teiser:

That's an interesting story. We have some record of the ship itself in Louis Petri's interview, but not that aspect of the event.

Rossi:

The side story of that, on a personal note, was that I had brought down a heavy coat that I had in the Navy. I think my claim to fame was that they had a shot of me smelling the wine on board the ship for about fifteen seconds. My children were watching t.v., and of course Dad was the big hero because they saw me on t.v. I remember them calling to my wife "Hey, Mom, come down and watch Dad; he's on t.v." She may have gotten a

glimpse of me on t.v., or not. But I made a few points with the family that day. $\overset{1}{\text{\sc l}}$

Quality Control

Teiser: When you took charge of quality control, did you set up the labs and new facilities?

Rossi: No, I worked pretty much with the laboratories that were intact. We had a good laboratory at Madera, Escalon had a good laboratory, and Asti had a good laboratory. It was more a question of reviewing the wines that we had in the tanks as well as the wines that we had in the bottle, and then each month we would bring in competitive wines and taste them. We would make quite a comprehensive report, and it went to everybody in the company -- the production people, sales people, Louis Petri--so that everybody had a look. There must have been others, other than myself, who were tasting the wines, but it was our group that tasted them and made the comments and took the analysis down. It gave us a very comprehensive look.

Teiser: When you have a broad group of people like that tasting, does that make them more interested in working together on wine quality?

Rossi: I think so. Wine quality can tend to take a second place if you let it take a second place. If a person has a demand from sales for, say, a given number of cases of a given wine, and the warehouse inventory is low, that wine gets bottled in a hurry so we don't have to back order a wine. That tends to take top priority. So the production requirements, of necessity, just seem to take care of themselves. And every wine, of course, is tasted before it's bottled. But the inherent quality that one has in one's wines, plus the comparative quality of one's wines in contrast to competition, just has to be kept up, and we have to know where we are. Reviewing one's wines monthly--or periodically; it doesn't have to be monthly--for quality, from an overall point of view, could be defined as a quality assurance function.

> Quality assurance pertains to an overall company policy direction for product quality, in contrast to the day-to-day

¹For further reminiscences of the S. S. <u>Angelo Petri</u>, see pp. 92-93.

appraisal of wines as they're bottled, which could be defined as quality control. We didn't use to have the distinction between quality control and quality assurance. The whole function of quality seemed to emerge in the 1950s and 1960s, and then by the time Heublein bought us out, why, the two functions of quality assurance and quality control became apparent. They wouldn't necessarily be done by the same people, and they really were two functions.

Organizationally speaking, companies handle it differently. Quality control could be the responsibility of operations, as also could quality assurance. I've always felt that the stronger way of handling it, or giving quality its proper place in the world, is to have quality assurance and quality control functions report directly to the president of the company. I think that's the strongest way of doing it. takes its place on a one-on-one basis, or with equal forcefulness, with people who are in charge of production, marketing, sales, finance, or a lot of these other functions.

Teiser: I've seen it written often that Ernest and Julio Gallo both taste frequently. If that is correct, what does that imply?

Rossi: Well, I've heard that Julio Gallo tastes almost every day, and it may be that Ernest tastes almost as frequently. I couldn't cross that "t" or dot that "i," but I think the fact that they do a lot of tasting together says two things. First of all it says that they're staying right on top of their business, and quality is absolutely tantamount to their success. If there are any shortcomings in quality, I'm sure they want to find out about it ahead, before the wine gets bottled and out on the shelf.

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You say tasting takes a great deal of discipline? Teiser:

Rossi: It takes a great deal of discipline. Wines have to be tasted as unknowns, blind, and it has to be done in an environment where no person is going to be right all the time. And even if there are duplicate samples that are not recognized by people, that isn't necessarily a way of trying to check on the person. The fact is that if there are duplicate samples that are not ranked as high with any one person or people within the group, then perhaps the distinctions that one is looking for in a given wine aren't as strong as one would like to imagine. It has to be done in an environment where there's total objectivity, and there's no sense of trying to check on the

tasters. If a person's worried about being embarrassed, why, he shouldn't be there. It just has to be a given that people are going to make mistakes, if you want to call it that.

And there are procedures for determining whether a person is appropriate for a given wine panel or not. That's a totally different exercise. But once a person's on a wine panel, then there should be total trust that everybody's doing the best they can. People will have off days, and the consensus of the group is what will rule. I think it's important to have a great deal of objectivity about it. It's a disaster for a less knowledgeable chief executive officer or chief operating officer to come in and taste a wine and either praise it to the heavens or say it's terrible. In which case the whole panel is biased because you're not judging the wine objectively, you're judging your courage at whether or not you're ready to challenge what the president says on tasting the wine. most wine companies do taste objectively now, and they do have these taste panels which they establish.

Teiser: How many people does it take to make an adequate panel?

Rossi: I think it depends on the task at hand. If you're just reviewing a group of wines for a good reproduceability of

reviewing a group of wines for a good reproduceability of a given blend from one blend to another, a panel of three can do that satisfactorily. And I wouldn't have any objection to a panel of five. But I think if you're making a judgment on a wine as to its appropriateness for a new product, then you're really delving into the unknown a little bit and it's probably better to have a littler larger panel, say either five or seven people that would represent various areas of the company--say, two people from production, maybe two people from research and development, one person from finance who's concerned about the expenses involved, and then maybe two or three people from marketing and sales. Then you get a consensus opinion. A person can get the various factors that are involved on the table early on, as to all the ramifications of a given wine.

Teiser: When you're tasting wines like that, do you discuss expenses?

Rossi: We taste them for taste, and then we discuss expenses. It's a disaster to say that this proposed blend is fifty cents a gallon more than the other proposed blend. The person who is tremendously interested in quality will say this [the more expensive one] is far and away better; and the finance man's going to think it's a disaster, because he sees his profits going down the tubes.

Petri Personnel

Rossi:

If you like, I could discuss for a few minutes some of the people who worked under Louis Petri during the period 1959 to 1969. The group that I had mentioned before were those who were in place as Petri took over Italian Swiss Colony in the early 1950s. Larry [Bruno C.] Solari came back to work for United Vintners under Louis Petri in 1954. In 1962 the sales organization was something like this: Irv Cotanch was in charge of open state sales; Greg Lutz was in charge of franchise states; Bob Woodward was in charge of control states; we had a man by the name of Ed Angioni who was in charge of the Eastern division; Joe Calabrese was in charge of Central division out of Chicago; a man by the name of C. Toomey was in charge of Western division. John Emmart was in charge of advertising; Richard Knox was in charge of sales promotion; Vince Vandevert, who wrote quite a presentable article on the history of ISC, was in charge of public relations.

That was in 1962, and that was the group who was organized by Larry Solari.

Teiser:

What were the circumstances of Solari coming in?

Rossi:

I'm not sure about that. I think Larry Solari was known to be a good salesperson. I recall that he personally had almost a computer-like mind. He could remember the sales position and the relative percent of market share that we had for various wines throughout the country, amazingly. I think that Louis Petri just found that he was a man that he needed.

Teiser:

What was his position?

Rossi:

He was the vice-president in charge of sales. As I mentioned before, he had left the company with General Deane in 1952, a year prior to when Louis Petri had bought the company in 1953. Larry Solari had associated himself with Guild from 1940 to 1948. He came back to United Vintners in 1954. He took over from Louis Petri as the president of the company in 1964 and became chairman of the board in 1969.

Teiser: What was Solari like?

Rossi:

He was quite a personable man. He had a lot of ability on sales, he knew the overall wine business well, and he was a fairly ambitious person both for himself and the company. He had good contacts around the country, and he had the ability to surround himself with good people. I think that he kept us really quite competitive to Gallo. And he was quite a good taster. It was good to have a president of the company who knew wine quality. And you could disagree with him and the world wouldn't come to an end, and that was important.

At one time he owned the winery that Hanns Kornell has now. It was Larkmead; he had the brand Larkmead, and that was when he was with Italian Swiss Colony--he bought the Larkmead winery and built that up. He built his home there in the Napa Valley amidst vineyards that he had planted. He was quite farsighted; he put vineyards in in the Napa Valley early on and did very well financially from his investments in the wine business.

What I'm trying to say is that he had an overall background: by the time he came back to us and worked with Louis Petri, he had owned a winery, had put his own vineyards in, had sold his own wine; he had worked for Guild, which was a fairly large operation in Lodi, and he had previously worked for Italian Swiss Colony, which handled a lot of dessert wines as well as our premium Asti brand wines.

So by the time he came back he was a seasoned executive, and Louis Petri was wise enough to see that and to say that he was the man to help build the sales. Because Louis had committed himself. He had his own wineries, and then he had Italian Swiss Colony wineries that he was leasing to Allied Grape Growers. There was one major thing that would make the whole thing collapse, and that would be if he didn't have the sales. So Solari was a key guy, there's no question about it.

I'm not certain of the circumstances under which Louis decided to phase out, but the fact is that he did, and then Larry took over as president. Larry was the man at the head of Italian Swiss Colony when we were negotiating and eventually sold to Heublein in 1969. He was a good man to have there at the helm of our company to guide the transition, because he knew the game. But he wasn't at all adverse to new things. I mean, we didn't really wait for Heublein to come out with flavored wines, as I mentioned before; he had flavored wines starting in 1957, and then we moved into low alcohol flavored wines in the mid-1960s. That was all under Solari. Given the

fact that Heublein was at least initially attracted to the idea of having flavored wines, it worked out well.

Through the Petri-Allied period, I would say that there were not an unreasonably great number of personnel changes on the R and D side, or on the production side. There were people at the plant levels that were doing a good job and that had job security, which provided good continuity of product to the company.

Plant Personnel

Rossi:

I was the winemaker up until 1957, when I left the day-to-day production and went into quality control and research and development, and Min Okino made his appearance at Asti in 1957. To relate Min's story with this company would almost take another chapter. There's hardly any phase of this operation that Min hasn't been involved with. From the date that he started to the present day he has been of extraordinary value to the company.

Teiser:

What is he now?

Rossi:

Min is in charge of production and winemaking for Heublein wines at Madera. That is, he has charge of the production for all of the Inglenook Navalle and Almaden wines. He has a very big job, although you wouldn't know it to talk to him.

Those are some of the key people during the Petri period, both at Escalon and at Madera.

[tape off briefly]##

Rossi:

At Asti for a short period of time we had Ed Prati, Enrico Prati's son, as the plant manager, and Paul Heck was here for a short time as the plant manager. Joe Vercelli came in, I believe, in 1954, and he stayed as the plant manager until 1971. On the winemaking side we had people like Myron Nightingale and Joe Aligretti, who were here in the 1949 to 1953 period. Doug Davis was at Asti for a time in this period.

Following Min Okino's period as winemaker here, Bob Delsarto, who started, I believe, in the late 1940s (and who was the third generation in his family to be in the wine business), became the winemaker. Then Bob Delsarto became the

plant manager in 1971 and remained the plant manager until 1981, when Scott Stoner, the present plant manager, took over. Following Delsarto we had a number of winemakers who carried us through a twenty-year span of time. One was Rob Rife; another man was Tom [Thomas G.] Eddy, who then went to Souverain, and from Souverain went to Christian Brothers. Another man was John Monier, who is now with Krug. Finally, we have Kevin McGuire, who is the current winemaker.

As laboratory directors we've had such people as George Kay; [Edgar] "Pete" Downs, who is now with Chateau St. Jean; Dick Arrowood, who is now with Chateau St. Jean; Ron Brown, who I believe is still in the wine business. Bob Pike, who I believe is with a cork supplier in the wine business, was with us for four years.

In the research and development group early on, I mentioned Dr. Herb Zimmermann; then we had Frank Robirds; then we had Ferrer Filipello, who had formerly been on the staff of the University of California at Davis. All very good men. As I said, George Thoukis was with us for one year, which was all too short; he was a top man.

In later years, when we moved down to Madera, there are several people who come to mind: Gregg Hahn was a very good man; Derek Holstein, who subsequently went to Christian Brothers and then went to Domaine Chandon, and I believe now has moved to Guenoc Winery in Mendocino County.

Without belaboring this too long, heading south to Escalon, there were many good people that had been with the company there with Louis Petri. Obviously, the key man there was Bob Bianchini; and I would say Jim Gott, who was the plant manager from 1951 until 1960, was also a key man. Jim stayed past 1960. He came into San Francisco with Petri and was the assistant production manager, and later was a vice-president in charge of production--a good man.

Paul Halpern would have to be mentioned as a plant manager at Escalon, but he would also have to be mentioned as having been in charge of the bottling operation up here at Asti, and as a plant manager at Madera, and as a plant manager at Sanger. I think he was one of our unsung heroes. He was a very versatile man, hard working, very practical, and knew how to get the job done.

Staying with Escalon, Joe Roullard would have to be one of the outstanding men in the organization. He was the plant manager from 1962 to 1983--absolutely invaluable over that twenty-year span of time. Joe not only ran the winery at Escalon as the plant manager, but also during the years of the operation of the S. S. Angelo Petri ship he organized and coordinated the movements of wine from the various wineries to Stockton, and then shipment from Stockton out on the ship.

We also had a very good man there by the name of Ed Moody, who was the plant manager from 1983 to 1986. He had started with me here at Asti in the research department several years before that, and then he followed me down to Madera. Then he decided he wanted to get into operations, so he went up to Escalon in 1975 and was the winemaker from 1975 to 1983. Then he took over as plant manager for three years.

Staying with the plant managers at Escalon, we come down to the present plant manager, Bruce Weeks, who started as plant manager in 1986, and is still the plant manager. He had been transferred from Madera in 1985 to go to Escalon as the winemaker. He was winemaker for one year. Then Ed Moody had another employment opportunity and he left the company. So after one year as winemaker, Bruce Weeks took over as plant manager and has done a superb job.

We had prominent names at Escalon before my time. Max Goldman was there between 1940 and 1946, and then apparently Ze'ev Halperin was there for a period of time following Max Goldman. I think Ze'ev Halperin had been at Asti for a short period of time, but Ze'ev's contribution to the wine industry-he will go down in history as being a very good employee of Christian Brothers.

The winemakers I remember at Escalon, not only with fondness but with respect, were Tom Leong, who was there between 1951 and 1958; Bill Witsky, who was there between 1958 and 1960; and Bert Silk, who was there between 1960 and 1961. Ray Paolucci was the winemaker between 1963 and 1972; Miles Karakasevic was there between 1972 and 1975. As I mentioned, Ed Moody was there between 1975 and 1983. He was followed by Kevin McGuire, who came to Asti; who was followed by Bruce Weeks, who I mentioned above was there for a year. Of course, from 1986 to the present time Harley Kakiuchi has been the winemaker, and he's doing a very capable job. That takes care of Escalon.

Heading further south to Sanger--the key management people at Sanger plant until 1961, when it was sold to United Vintners, was the Cella family itself, including John Cella (II) and Phil Krum, who was the plant manager at the winery from 1945 until 1970, a full twenty-five years. An extremely capable man. He knew his winery, and he knew how to make things run. Paralleling his tenure there was Aram Ohanesian, who was the winemaker from 1946 until 1977, a thirty-year stint. He was a good winemaker and of extraordinary value to that plant. They were both very dedicated men.

More recently, the people that have been there were Paul Halpern, whom I mentioned; Ken Ford was there for three years, between 1976 and 1979; Ron Nino was there for a year (he's now, I believe, with San Martin Winery). Adrienne Iwata was there as the winemaker from 1977 until 1980, and from 1981 until November of 1987 she was the plant manager. Now she's in charge of operations in the San Joaquin Valley for Beverage Source, and Gary Nakagawa has taken over as the plant manager. Randy Asher, whose experience extends back to the days of Heublein, when he was involved in the research and development department at Madera, is currently the winemaker there at Sanger.

As far as the Madera plant is concerned, there were a number of changes in plant management over the years since Heublein took charge. One of the most important people in the stability of the Madera operation was Kasuo Sanbongi. He was with us from 1960 until his death in 1983. He was responsible for an enormous amount of production; it was the single biggest plant that United Vintners had, and he discharged that responsibility. His co-workers at the winemaker level were Joe Rossi, who happened to have studied with Professor [Vernon L.] Singleton at the University of California and wrote several very good papers on phenolics and wine--for which I sometimes get credit, but quickly have to correct. He is very bright, very innovative, and carries a lot of responsibility. other winemaker down there who carried out a lot of responsibility was Ray Paolucci. More recently we've had a younger man by the name of William Matasek, who is very capable.

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Rossi:

In addition to that, we've had a champagne maker turned winemaker--Chris Bonner. Chris Bonner is at the present time a winemaker connected with Heublein wines. He is responsible for

the Almaden blends, but while I was there he was responsible for the champagne making. Whatever he's done, he's done well, and I think he should be mentioned as one of the outstanding people there at Madera.

On the managerial and administrative side, that brings up Bill Weber, who was in charge of administration, and he's still associated there. The top man is the vice-president in charge of operations for Heublein, Martin D. Yocum. In my opinion he's one of the most capable administrators that I've ever worked with and for. He won an outstanding award last year, the John Martin Award, from the Heublein organization, which is worth mentioning. There was another man, W. "Pete" Holloway, who was there for a period of time in charge of operations. He left the company, and now he has returned to our company, Beverage Source, as vice-president in charge of operations. Richard Hanley, in charge of distribution and business development, is a long-term and valued person at Madera.

To talk about the research and development and quality control center down at Madera, I believe that in previous discussions I mentioned that whole area of activity had been initially assigned to me at Asti in 1957. As the organization grew, and as it became necessary to gradually switch part of the organization from Asti down to Madera, the man who took over the day-to-day operation was Peter Tan. He was a man that I hired, I suppose some twenty-five years ago, and he is now the director of the Heublein Wines technical center at Madera. That covers a multitude of facets. It covers quality assurance, quality control, product development, process development, basic research. I have to say I have a bias, because we're very close personal friends; but bias or no, he's one of the brightest people that I've ever run into in this organization or most anywhere. He's been an outstanding man in this company. He would be on a par with Min Okino, as far as his contribution to the company would be concerned.

There are others down there: one is Hon-Kong Kwok, who started with me up at Asti, who is in charge of the quality assurance. There are two other men, Jim Kutschinski and Steve Kupina, who are in charge of basic research. Then there's Joe Alioto, who is in charge of product development and process development. These are all men who have made significant contributions to the company.

It's only proper that I should mention my first cousin, Robert Rossi. Our fathers were twins. He started with the

company in 1946 and is still associated with Heublein today. His career followed the lines of operations and production more than the winemaking side, and from operations he went into grape management and grower relations, bulk sales, and vineyard and property management. He's certainly been a real asset to the company over his career.

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Teiser: When was it that more so-called educated winemakers started coming into the industry?

Rossi: I would say that that happened in the late 1940s and in the 1950s.

Teiser: By then there were quite a few well-trained men coming in?

Rossi: Yes. And at the same time, 1950 was just about the time that the American Society of Enology got started. That came into the picture, too, where the place of the enologist or the winemaker in the wine business was fortified.

Teiser: What does a plant manager do?

Rossi: He has overall responsibility for the plant operation--winemaking included.

Before it goes out of my mind, I want to mention that the S. S. Angelo Petri had its last voyage in 1975, so its tenure extended past the Allied ownership into the ownership of the company by Heublein.

Teiser: What happened to it?

Rossi: I don't know what ever happened to it.

Teiser: While we're on the subject, Louis Petri said that he found a return cargo that wouldn't contaminate the tanks.

Rossi: Yes, there could have been. I don't know all of the products that they had coming back.

Teiser: At any rate, he didn't return them empty or full of water?

Rossi:

No. As they could, they would pick up a return commodity coming westward. The ship operation was under the direction of a vice-president that we had at that time, Jim McManus [James O. McManus].

Teiser:

Aren't there two Jim McManuses in the industry?

Rossi:

There's a Jim McManus [James R. McManus] who was associated with the Brandy Advisory Board; and then our Jim McManus was in charge of the Petri operation. He was a very nice gentleman. He was very capable, very well organized. He did a great job for us.

But it's true, there were return cargos. I can't really think why the ship operation was terminated, except that I suppose it got a little bit more cumbersome. To go back to some of our original key dates: in the mid 1960s, table wine began to outsell dessert wine, and then in the 1970s white wines outsold table wines. So that meant that the main cargo that we started with in 1957 really wasn't to be the cargo for the S. S. Angelo Petri in the 1970s. People had to make a decision as to whether all these white wines, which had then become the popular drink, were appropriate to be shipped East on a tanker or preferably bottled in California.

Teiser:

Would the spoilage be high?

Rossi:

Well, spoilage or just the absorption of oxygen and a certain amount of oxidation, which white wines don't withstand. As I recall, the barge at Houston was one of the facilities first shut down. In other words, we terminated our shipments to Chicago before we terminated our shipments to Newark. The net of all of this is that from an industry point of view Louis Petri was responsible, there's no question about it, for bringing down and controlling railroad rates. He made the capital investment, and he pulled off a feat that was sort of flamboyant and not unlike Louis [laughs]. I don't think it was seriously deleterious to the quality of the wines in 1957, given the fact that three quarters of the wine was dessert wines, with the balance red wines--not white wines. The fact is that he did do a service to the industry.

Teiser:

By 1975 weren't bulk shipment decreasing anyway? Weren't bottlers dropping off?

¹See Louis Petri, <u>op. cit.</u>, p. 36.

Rossi:

Yes. I think franchise bottlers were dropping off; there were fewer and fewer bottlers around the country. They just found, with the advancements of technology, that it was better to have the shortest line between a bulk storage tank and the bottling facility. From the bulk storage tank in California to the bottling facility in new Jersey was a fairly long line [laughs]. I think it just turned out that it was probably the sensible thing to do. But it's a key bit of history in the California wine industry.

Three persons I haven't mentioned to date are Paul Huber, general manager at Escalon, later at Madera, when Petri took over Italian Swiss Colony. Then there was a man by the name of Art Gard, who was the wine chemist here a for a while. He left and went into an allied business. Ted Yamata was the plant manager for a while.

Teiser:

Could you tell a little of the background and history of the Madera plant?

Rossi:

It was one of the larger plants that Italian Swiss Colony owned pre-Prohibition (three million gallons). In 1915 my father and uncle sold the family's interest in Italian Swiss Colony to the California Wine Association. So it was then that the Madera plant went over to the California Wine Association. Then, in the mid-1920s, the Arkelians bought it. They held it until Louis Petri bought it in 1949.

Teiser:

By then it was a very large plant?

Rossi:

Yes. I started to mention some of the key dates under the Petri-Allied era: in 1962 the plant size was doubled to increase its capacity from having 75,000 tons to having 150,000 tons. Two years later more of the packaging was transferred from Asti to Madera. Those are two key things that happened during the Petri-Allied period.

Brandy and High-Proof

Teiser: As I remember, it had a big column still.

Rossi: Yes, we put in a large column still; it was all stainless steel.

Teiser: Just one?

Rossi: They probably had more than one, but there was one that was

exceptionally large.

Teiser: Did you make brandy down there, or just high-proof?

They made just high-proof. The truth is, in the light of Rossi:

subsequent use, we needed to put copper in the top of the column to have a clear distillage. The sulfides would go up the column, and if they didn't have some copper to react with, which would make copper sulfide, then the hydrogen sulfide or the reduced sulfide flavors would persist in the distillate with serious off flavors. At the time we thought that an allstainless steel column would absolutely be the ultimate, but the fact is that it wasn't. We were bucking the small copper pot stills in France, and that was a mistake. With added copper the column was a success. I remember we set up a little glass still up here at Asti and distilled some brandy through it, and had essentially the same flavor as what they had in the distillate off of the column at Madera. Then we put some copper gauze in the top of the still, and the distillate came through nice and clean.

Have you worked much with brandy or with high-proof?

Rossi: Well, not a great deal. I've worked with beverage brandy blends and brandy rectifying. We used to buy some of our brandy, and I was instrumental in setting up quality standards for brandy. I'm not just talking the proof, but how we distilled it and also the ingredients. We had a standard of fusel oils, and then we had a colormetric method for analysis. This method gave an idea of total fusel oils in the brandy, but it did not distinguish between the individual higher alcohols--the propyl, the butyl, and the amyl alcohol. Today this can be done very accurately with gas chromatography. We found that the proportion of one higher alcohol to the other had a key

impact on the flavor of the brandy.

Another quality ingredient was the aldehydes, and we'd also run the ester content. We did quite a bit of work on that. Of course, the distilling material made a difference, whether the distilling material was Thompson Seedless or Tokays, which were used a lot for making brandy material, as were Missions and French Colombard.

Teiser:

Teiser: Did you use them indifferently, or did you choose blends among

them?

Rossi: In Lodi we tended to have more Tokays, and down in the Fresno

area where we made some brandy at one time at Clovis, we had

Missions and Thompson Seedless.

Teiser: Was there much difference in the brandy or the distillate made

from various grapes?

Rossi: Yes, there was some difference. I would say there was a

discernible difference, even on a continuous still. But by the time the brandy was aged for two years in the wood and was then dumped, and we were allowed to use rectifying materials, the differences based solely on varietal differences tended to diminish. As a consequence, one of the dominating factors that determined what grapes you used to make brandy was price,

truthfully. As the years went by and we wound up finding that we had too few white grapes, then people would use black

grapes, or red wine, to be distilled.

Teiser: You haven't operated pot stills?

Rossi: No.

Teiser: As far as high-proof is concerned, you don't age that, do you?

Rossi: No, we don't. We try to do what I think a lot of wineries do:

they try to pre-plan their accumulation of distilling material to produce high-proof so they have enough high-proof come August to get started on fortifying whatever dessert wines they

make early in the following season.

Teiser: So they don't have to hold it over?

Rossi: Exactly. So they don't have to wait to make high-proof to do

> the fortifying that they need. Another way of putting it would be that if a person makes a good quality white wine early in the season, it would be a shame to use some of that white wine, say, in late August or early September to distill into highproof. It's more economical to have high-proof from the

previous year to use.

Teiser: Given full control, do you make the wine to a different standard when you know you're going to distill it than if you

were going to use it for bottling or whatever else?

Rossi: Not to make high-proof; yes, to some extent, for beverage brandy.

Teiser: I think the pot still people here bring it in at a lower alcohol content.

Rossi:

They bring it in at a lower alcohol content and a higher acidity, and that tends to make a better brandy. Brandy, to a large extent, is a function of the quality of the wine, and I know that in Europe they bring in the white grapes early. Italy they use what they call the Trebbiano; in the brandy area of France they call it the Ugni blanc. But the interesting point is that if a person harvests the grapes early, which will give a lower alcohol, the person will wind up with a relatively high proportion of fusel oils to the alcohol. Because on early harvested grapes you get perhaps as much fusel oil at, say, ten alcohol as you would at twelve alcohol. As a consequence, when you distill the alcohol you have a relatively higher level of the congeners, of the fusel oils; and if you have a higher level of the congeners, then they in turn react with the fatty acids of the yeast and with the acids of the wine, so that you would tend to have a higher level of esters. With a higher acid you also have a lower pH, and the lower pH would act as a catalyst for the combination of these aromatic ingredients.

I think that when it's all said and done, there's good reason for what the French are doing--harvesting wines earlier. Plus the fact that in the small farms where they make wines they may have to wait for the man who has a small, portable still to come around and distill their brandy, and their wines are going to keep much better if they have a high acid and a low pH. Very often in life you think that something is done totally in the interest of quality, but sometimes it's done to survive and it happens to help out the quality, too. [laughter]



More on the Petri Period
[Interview 5: 8 March 1988]##

Rossi:

There are a number of things that happened during the Petri-Allied period that I don't think we talked about yesterday. For example, Allied purchased Community Winery in 1958. Shortly thereafter they closed down the Shewan-Jones winery, which is just across the road there in Lodi, and they moved the facilities over to Community.

Teiser:

How did that happen?

Rossi:

Well, Shewan-Jones was purchased by National Distillers prior to 1940. They actually bought Shewan-Jones before they bought Italian Swiss Colony. I think it was quite a modern winery. Then for some reason, in 1958 the Community winery became available for purchase. Allied bought it. I don't recall the specifics.

Teiser:

Had it been a co-op?

Rossi:

Yes.

In 1961 Cella Vineyards was brought in by Allied, and that's when John Cella [II] came into the picture and joined the staff of United Vintners with Louis Petri. Following the Cella purchase, the Santa Fe brands were purchased in 1963. So that was another group of brands that came into our fold. I might say, going back to the Cella Vineyards--I'm sure John Cella pointed out in his interview that they had developed a business of selling juice in concentrate to industrial users throughout the United States. So he had wide contacts in that

¹John B. Cella, II, <u>The Cella Family in the California Wine Industry</u>, an oral history interview conducted 1985-1986, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1986.

area, which is fairly commonplace today. As a matter of fact, they bottled grape juice under the Betsy Ross label. So I would say they were very likely ahead of their time on that particular piece of the business.

Teiser: I remember that plant was built by the Cellas.

Rossi: Yes. That plant was built by the Cellas after J. B. and Lorenzo Cella sold Roma. I believe J. B. was the father of Lori Cella, who married Louis Petri. I think he was the California man, and then his brother, Lorenzo Cella, was on the sales end and he resided in New York. Of course, Lorenzo was John Cella [II]'s father. They were apparently two very astute men.

[tape off]

Rossi: In that same Petri-Allied period, coming down to my own career, it was in 1969 that Mr. Solari changed my particular status in the company from the director of research and development and quality control to being a vice-president.

Inglenook

Rossi: A year later, in 1964, Inglenook was purchased by Allied Grape Growers. I recall that at the time the volume at Inglenook was very small; John Daniel was very quality conscious. I don't think there were a great deal more than 25,000 to 30,000 cases [annually] at the time, but it was top premium wine.

Teiser: All estate bottled, was it not?

Rossi: All estate. He had bottling facilities that were adequate, but they were beginning to be obsolete in the sense that if he wanted to expand his business to a larger volume he would have had to make a considerable capital investment into his own winery. At the time he didn't feel that he wanted to do that. I believe he had two daughters who perhaps didn't show interest in going into the wine business at that time, though I understand now that they are going back into the business with a great deal of enthusiasm and intend to come out with a very

high quality, high-priced wine. 1

Going back to that time, Mr. Daniel either had the option of putting significant capital investment into his winery or selling, and he opted to sell. I know that we established a taste panel for the Inglenook wines that consisted of John Daniel, Bob Bianchini, myself, and whoever happened to be the winemaker at that time. Al Dal Bondio, G. Deuer, J. O'Connell, and Bob Steimiller all contributed. This panel worked over 1964 to 1969.

Teiser: John Daniel was said to have had fine perception. Could you confirm that?

Rossi: Oh, yes. He was a very good wine taster. He was long-term in his thinking. He wasn't the type of person who was interested in taking shortcuts for immediate profit; he wanted to establish himself as producing the best possible quality and directing his efforts towards that. He was a very fine person. It was a privilege to work with him.

Teiser: Was this your first real first-hand contact with the Napa Valley--when you first worked with Daniel?

Rossi: Yes.

Teiser: Do you have any general observations that you can make on the character of the Napa Valley as a wine producing area, as compared to northern Sonoma County?

Rossi: As I recall, in those days--1964 to 1965--I believe the preponderance of wines that we tasted were still red wines more than white wines. That area up in Napa Valley for the estate wines for Inglenook was Region One or Two by Amerine and Winkler's definition of viticultural areas. They had cooler evenings and the wines were heavier in body, and therefore they needed a longer aging period to develop. And fortunately the Inglenook estate wines happened to be in a price category that they could afford to age them for a longer period of time.

It was my first detailed experience with the effect of a longer-term aging program, whether it was in small tanks or oak casks or whether it was in the bottle--more than the wines which to that point we had produced here in Sonoma County. The

 $^{^{1}\}mathrm{They}$ established a winery under the name John Daniel Society.

Sonoma County wines were relatively lighter bodied and they were able to be marketed younger with a greater degree of freshness because they didn't have as heavy a tannin level. They were more palatable younger. That isn't to say that they couldn't be aged, but the fact is that the Napa Valley reds were heavier in tannin, needed more age, were in a sense more complemented with the wood that they found in the barrel.

Yes, that was my first experience.

Teiser: Does that generalization still hold for the reds of each area?

Rossi: With many more Cabernets now in Sonoma County, I wouldn't make that judgment today.

Teiser: Was there a difference in cooperage that was customarily used?

Rossi: I think the casks at Inglenook were largely oak. It seems to me that he had oak casks more than a large number of fifty-five gallon oak barrels. So the smaller oak casks did a good job. There were economic considerations there, too, since oak casks are less expensive than oak barrels.

At that particular period of time we weren't all that conscious of the importance of controlling oxidation in the winery, or oxygen absorption in the winery, either for whites or for reds. That came on a little bit later. But in any case, with careful racking and careful handling of the red wines they developed well.

I remember that George Deuer was a very careful winemaker, and when he talked about fining a wine, for example with gelatin and a little bit of tannin, he was talking a fraction of a pound per thousand gallons. In many instances in other winegrowing areas of California we were using amounts of fining materials that would be half a pound to several pounds per thousand gallons.

I was impressed that George was very careful in saying that we may only need so many ounces of a given fining material to a wine. I've found since that that was to be an accurate prediction of what we were going to find to be best with finer varietals that came later in Sonoma County. That's become a favorite area of endeavor, and hopefully of some expertise, for me. I try to get wines in a condition that is almost perfect in an effort to minimize excessive use of fining materials. That was always George's thinking, and he was absolutely right.

Teiser: There was a tendency a few years ago to market unfined--unfiltered--wine.

Rossi: I'm not in sympathy with the idea of marketing an unfiltered or an unfined wine. I think to do that is to ignore all the technical advances that have been made over the last hundred years. I suppose there are some knowledgeable winemakers who do that, but that's one practice which I question.

The Heublein Period, 1969-1983

Teiser: Did you produce a flor sherry at any period?

Rossi: Yes. I don't think we produced a flor sherry to market as a flor sherry, but as a blend. I would say it was probably in the early 1970s.

Teiser: Why didn't you market it?

Rossi: Well, as I recall, by the time Heublein came around the dessert wines were a bit on the wane. But interestingly enough, at that time Phil Posson, who was the vice-president in charge of winemaking for Sierra (which became owned by ERLY Industries later), was making flor sherry for bulk sale to other wineries for their blends. He was acknowledged as one of the experts in the business on making flor sherry.

Teiser: Why was it used so often as a blend and so rarely bottled by itself?

Rossi: I think it lent itself more to being a dry sherry, and it had sort of a flat, aldehydic character, with a sort of cheesey tone to it from the flor itself. I guess I'd characterize it as an acquired taste. Once a person likes a flor sherry, similar to the Spanish sherry, then it can be delightful.

Teiser: Why did Heublein buy the Petri-Allied organization?

Rossi: At that period of time the wine business was in a desirable growth phase, and Heublein anticipated that the use of wine was going to have significant growth over the years ahead. The consumption trends and so forth seemed to be favorable. They looked for good profits in the wine business and expected that the flavored wine business was an area they could exploit.

Teiser: By then you had developed some flavored wines?

Rossi: By then we had developed all of our 20-percent-alcohol flavored wines, and we also had fielded the Bali Hai. There were a number of popular items; I think we had a demonstrated ability not only to produce them but also to sell them. This was in concert with their thinking. They had come off a period of the successful introduction of the cocktail products that they had marketed as extensions to their vodka. So they saw as a favorable trend the growth characteristics of the wine business, as well as their ability to put together good-tasting products and do a good job marketing them.

Teiser: Was your organization itself pleased to have Heublein take over? Did you think it was going to work out well?

Rossi: Yes, we were all pleased. Because we felt that Heublein had a great deal of marketing expertise. As a matter of fact, they did have it, and it was proven. So we felt that their marketing expertise, with the production facilities and product development and research capability that we had, would go in concert and wind up being a successful venture. And I have to say that one of the characteristics of Heublein over the years was that they tended to be innovative and they supported innovativeness. I don't think I ever heard a word of criticism or put-down for coming up with a new idea. That's the kind of an organization they were.

Teiser: Did they actually encourage innovation?

Rossi: Oh, yes, they did. They were very keen on that--on new wines, particularly on the new flavored wines.

Teiser: They were quality minded, weren't they?

Rossi: Yes, they were quality minded, and they had good organization for what we defined as quality assurance as well as quality control.

Jacobson: Had Italian Swiss Colony been doing tasting room consumer testing before, or did this come in with the Heublein era?

Rossi: As I recall, we did some consumer taste tests pre-Heublein, but the majority of the consumer taste tests that we did in the tasting room--and they amounted to a significant number of taste tests--were done during the Heublein era. We had a whole

line of Annie Greensprings to develop, and there was an almost unlimited number of variables to try to explore. We did the product development work during the week, and we'd try out variations on consumer taste tests that we would run here over the weekends. We ran the taste test in groups of fifty, and we'd run as many as five or six hundred taste tests in a weekend, which gave us a very thorough look. They weren't really designed to give very precisely definitive results, but they tended to head us off from making a mistake. 1

Teiser:

Why did you stop doing them?

Rossi:

We stopped when we had most of our flavored wines developed. Then when we got to the second stage of appraising the wine, the marketing people wanted to run a controlled taste test or panel testing--concept testing. Sometimes they would test a concept and then they would often test the product under more rigidly controlled circumstances than we did.

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Rossi:

I think the period that Heublein came into the wine business in 1969 was characterized by several phenomena. First of all, we were in the middle of the growth phase of the table wine business. Furthermore, we were in the period of the switch-over within the table wine category from red wine to white wine. Into the mid-seventies the low-alcohol flavored wines were popular, and so we enjoyed good business there. But as the flavored wine business tapered off after the mid-seventies, then we were really in a period where we had to get back to traditional wine business.

There weren't enough white grapes in the North Coast counties--that would be Mendocino, Sonoma, Lake, and Napa counties--to take care of the needs for the wine industry's white table wine business. As a consequence, white table wine had to be made from grapes grown in the San Joaquin Valley or the Central Coast, down in the Monterey area and San Luis Obispo. There were new areas that had to be discovered in order to supply the consumer with the white wine needs.

This was fine, but there were several caveats. One was that you can't make a good white table wine without a fairly

¹See also pp. 60-61.

intensive capital investment, partly in crushing facilities, because you have the necessity of separating the juice from the skins before fermentation, which one doesn't have with red wines. And the juice at the very least must be cold fermented. Once the wine is made it's a more delicate wine and has to be more carefully processed in order to hold the flavor. Then when it's bottled it is important to minimize any absorption of oxygen. As a consequence, the wine business had to make significant capital investments in that period of time. Heublein was included, and Heublein did make capital investments at all of the plants. By all of the plants, I mean at Asti, at Escalon, at our plant at Reedly, and the plant at Madera.

Teiser:

I think you showed me yesterday at this plant some facilities that they had put in that must have required a good deal of capital.

Rossi:

Oh, yes. We had one building across from the main cellar for processing white wines. That went in in 1974 and represents maybe half a million gallons. Then we have our stainless steel tanks that are under cover, on the top of the hill, installed in 1978, and that represents two million gallons. And those are just a part of the facilities that were put in at Asti. There were even more extensive facilities put in at Escalon and at Reedley. It was not only the tanks, but we had to have more sophisticated filters, we had to have centrifuges and decanters, and of course refrigeration capacity. So during that period of time we had an increasing competitiveness in the business, and at the same time we weren't able to rely on the facilities that Heublein found that we had when they bought us in 1969, so they made the investments.

Also during that period of time, from 1970 on, the price of grapes in the North Coast counties steadily trended up. So that was another factor that we had to cope with. Heublein had an agreement with Allied Grape Growers to use grapes that had been committed to Allied Grape Growers here in the North Coast counties.

Teiser:

Perhaps we should clarify just what it was that Heublein bought.

Rossi:

In 1969 they bought 82 percent of United Vintners, which included both the wine business and the plants. In 1978 they bought the other 18 percent.

Teiser: But they maintained the same contracts with Allied that United had?

Rossi: Exactly. As time went by, really through nobody's fault--you can't anticipate what the future is going to bring to a person--Asti was receiving a lot of North Coast grapes through the years that became increasingly difficult to absorb into our blends and get a return on the investment. My records show that in 1977 the average price of Sonoma County grapes was \$256 per ton, and five years later they were \$239 per ton, having been as high as \$500 a ton in 1973. In 1980 the average price of grapes in Sonoma County was \$506 a ton. The last year that I have the average price for is 1983, when it was \$542 a ton.

Teiser: What about the grapes supplying the Reedley and other Valley wineries?

Rossi: I don't have the prices of the grapes in the Valley, but they were obviously less.

Teiser: Were they also going up?
Rossi: I don't have verification on this point at the moment. The fact is that in order to maintain a profit margin, what we needed to do was to bring Valley grapes into table winemaking, vis-à-vis dessert winemaking. And to make a good table wine out of grapes grown in the Valley we not only had to change the mix of the grapes in the Valley to a degree, but we also had to

have expensive facilities, which I alluded to earlier.

those were all concerns.

I'm not sure that Ruby Cabernet, for example, had yet made its presence felt in the Valley, but that was an example of where one of [Harold P.] Olmo's grapes really took over and was a big success. And it's a widely grown and widely used grape now.

For example, there wasn't a great deal of variation in the tons processed for United Vintner's plants of North Coast grapes from 1970 through 1982; in almost every year it exceeded 20,000 tons. That's not an insignificant tonnage, when you have a trending increase in the price of grapes.

Teiser: How did it relate to the profits?

Rossi: It definitely impacted on our profits, because it was a very significant cost factor.

Teiser: How did it happen that Heublein didn't in the end sell only this winery and keep the Valley wineries?

Rossi: Because they wouldn't have had a buyer for this plant. This plant has a cooperage capacity in the area of eight to ten million gallons, we have the capability of producing five million cases, and we have a crushing capacity of twenty-five thousand tons. But when the winery was developed, at least initially, by my father and uncle and Enrico Prati, Italian Swiss Colony was making all of its wines here. After Repeal, even in the period when it was three-quarters dessert wine and one-quarter table wine, we made all the dessert wines, the sherries, and the vermouths--and the white table wines, and then dominantly red table wines, all at this plant. So the capacity of this plant has to be viewed in the light of history, at least to understand it.

Going back in history just a bit, before 1940 in order to get some relief from transportation costs of grapes from the Valley up here, that was when the family bought the La Paloma plant at Clovis from the Tarpey family. Subsequently, into the 1950s, when the price of grapes was less here and Petri bought the plant, we had these grapes here not only to supply quality wines for our own Italian Swiss Colony brands, but also for the Petri brands. The Petri red wine needs were not insignificant, so things were fine until the demand of history said that the price of grapes had to be increased. That's where the difficulty came in.

Teiser: Were the Petri wines blends of Valley wines and North Coast wines?

Rossi: Yes, they were, at least initially. All of these wines were blends of North Coast wines and the Valley wines. When I say Valley wines, they're mostly Escalon, Lodi district red wines, which were good red wines.

Teiser: Does that go for the Italian Swiss Colony label, too?

Rossi: It goes also for Italian Swiss Colony label, yes.

At the same time, I think I should mention that Heublein was further plagued, through no fault of their own, with an FTC suit which claimed that they were monopolizing the wine business.

Teiser: Because they had purchased --?

Rossi:

Because they had purchased United Vintners, and they also had interest in Harvey's Bristol Cream, which they were importing, as well as Lancers wines which they were importing. On the surface it was ridiculous. They didn't have the slightest idea of ever monopolizing the wine business, in my own opinion.

Then we had some difficulty with our labor relations with [César] Chavez; at least Allied did. As I recall, that impacted on our business to some degree. And we had the difficulty of trying to resolve the matter of the more expensive grapes in the North Coast that we had committed to Allied for. Heublein-United Vintners had increasing difficulty working the more expensive North Coast grapes into our blends in a way in which we could still come out with a profit. And I'm not talking exorbitant profits. I don't know what profits we had, but I don't think that they were looking for unreasonable profits.

All of these things impacted during the period of time when Heublein owned the company. We had a series of management changes. Larry Solari was the president initially, and then there was a man by the name of Victor Bonomo as president for a short period of time. Then he left and Solari took over again, and he brought in a man by the name of Dick Oster, who was very capable. Following Dick Oster, Jack Powers came in, who is now the chairman of the board of Heublein. Following Jack Powers there were several others. I believe we had a man by the name of Bob Sanders, and then for a while we had John Keller. 1983, when [R. J.] Reynolds divested themselves of ISC wines, Bob Furek was the president. These were all very capable people. I must say, again, that we were in a highly competitive business, and I could see that there was a certain degree of distraction from day-to-day business that was caused by these legal difficulties that presented themselves to the scene.

Teiser:

How did they interfere?

Rossi:

I think Heublein has openly said this: that while they had that FTC suit pending they were naturally conservative about pouring capital into a company that maybe the government would rule had to be broken up. I mean, they weren't talking small amounts of money; it wasn't as if it was a little boutique winery where maybe something less than a million dollars would do it, and if you had to break up, your potential loss might be something in the area below six figures. They were talking

multi-million dollar investment. And they were responsible to their board of directors. They had other directions to put their assets. They had to be responsible to their stockholders. They had a public hearing, just like any other public company.

They were extraordinarily difficult times for those men. It was difficult enough to try to cope with the wine business, but to cope with the wine business with these other considerations that were impinging on their efforts and their time and their thought made it difficult for them. I felt a great deal of empathy for them individually, and because I wanted the company to be successful.

Teiser: During all these years Heublein maintained their contracts with Allied, did that also force them into high-priced grapes? Did they have fixed contracts, or were they variable from year to year?

Rossi: The price to be paid to Allied Grape Growers was what was subsequently determined to be the average market price for the various varieties of grapes in the various districts according to the California Department of Food and Agriculture grape report of average prices.

Teiser: But it locked Heublein into price rises?

Rossi: It locked Heublein into price rises, and when the initial contract with Petri and Allied Grape Growers was forged I don't think it was possible to anticipate what kind of modification of contract could be made in order to compensate for these industry changes that were later to present themselves, that really nobody could foresee at the time. We just have to recall that Allied was formed in 1949, and we're talking about difficulties that occurred in 1979, thirty years later. I don't think there was anything other than truthfulness and honesty on both sides. It was just a set of circumstances that developed that created difficulties.

Teiser: Was Robert McInturf himself, the president of Allied most of that time, a factor in this?

Rossi: He was the president of Allied Grape Growers, and I think he felt the responsibility of filling his commitment to the growers who had committed their grapes to Allied Grape Growers.

Teiser: Could you tell a little bit about his background?

Rossi:

Bob McInturf was a grower in the Fresno area, for his own grapes and those of his wife's family. Bob always took an active interest in grapes, agriculture, and co-ops, so I think he was the logical choice in Louis Petri's mind when he initiated the formation of Allied Grape growers. Bob McInturf became organizing director and president five years later, and remained so for thirty-one years.

During the whole Petri period, Louis Petri's concept was that he and his people would concentrate on the marketing side. Then he would sell his assets, and subsequently Italian Swiss Colony's assets, to the growers. Then, from the sale of the wine made from their grapes, he would be able to return to the growers not only the average price of grapes but, in addition to that, from any additional funds Petri and his associates would be paid. This was essentially accomplished by 1968.

His job was to sell wine, and once he sold the wine he had a very strong selling point. His point obviously was: come in to Allied Grape Growers and you'll get market price and better than market price, and you'll get your share in the assets of the wineries for nothing.

Teiser:

It happened, didn't it?

Rossi:

And it happened; he pulled it off.

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Teiser:

That was entirely new in the industry, wasn't it? No one had ever heard of doing that sort of thing.

Rossi:

No. As a matter of fact, if he hadn't pulled it off he wouldn't have gotten paid. His profit out of this whole caper came from generating the funds not only for the growers, but to pay off his contract with Allied. It took innovativeness, and it just plain took courage [laughs], and he did it.

The Colony Label##

Jacobson: When did the name change from Italian Swiss Colony to Colony brand?

Rossi:

That's kind of a key point. You hit a nerve center with me on that one, Lisa. Let's talk about that, but I'm at a bit of a loss to know just exactly when that happened. It would have happened under Heublein. I think one has to realize that this happened in the late 1970s when Heublein was struggling with these fairly expensive North Coast grapes and wondering what to do with them, and how to get their investment back for the grapes from the sale of the wine.

You recall we talked about them having introduced the Inglenook Navalle. Some consideration had previously been given to introducing an Italian Swiss Colony Heritage line, with the idea of having a premium line of Italian Swiss Colony. Somebody decided that maybe the Italian Swiss Colony and the "little old winemaker" image didn't fit any more and that we should modernize to the simple use of the word "Colony." So that change was made with the idea of having a new label, a new name, and a new face, without necessarily a total change from the past. Colony was to be the brand, but then in the mandatory print it indicated Italian Swiss Colony Winery.

As I recall, one of the considerations in the minds of the marketing and administrative executives of Heublein wines was that they felt that Italian Swiss Colony conjured an image of inexpensive, fortified wines in flasks having been sold in the Chicago area in the late 1950s and early 1960s. This image, they felt, maybe persisted, and it was a difficult image to overcome to get to the point where we could generate a higher price for table wines in the 1970s.

Teiser:

By flask do you mean the raffia-covered bottle?

Rossi:

No, I'm talking about a flat half pint, or half-pint flask, of just inexpensive dessert wine. And I'm sure that was a problem. At the same time we have to remember that during those years there must have been a considerable amount of this same wine sold on the New York market. But the red table wine and the vermouth that were sold to the Italian segment--it was not only Italians, but that's what I'll call it--of the New York and New Jersey markets did not bear the name of Italian Swiss Colony; it bore the name of Gambarelli & Davitto--G&D. In short, Italian Swiss Colony had a position in Chicago which was very strong in the inexpensive dessert wines; this was not the case in the New York market, since the brand wasn't that strong there.

Notwithstanding the fact that the "little old winemaker" had a tremendous appeal, I don't know how much attention was really ever given to trying to turn the "little old winemaker" and the saying, "You can't miss with Italian Swiss," which were very catchy tunes [singing commercials], to the advantage of Italian Swiss Colony wines. But for certain, when we changed the name from Italian Swiss Colony to Colony, we may have gotten rid of some of the inexpensive dessert wine image from Chicago, but at the same time it seems to me that we eliminated the possibility of using the little old winemaker, and we eliminated the phrase, "You can't miss with Italian Swiss." So it wasn't a cut and dried decision; there were some serious trade-offs there. I think it is very difficult to run surveys to come up with really definitive results as to what a name means to certain people.

I speak with a considerable amount of prejudice, but at the same time I must say that I believe that particular decision was a mistake. I believe it was a mistake for several reasons. I think that, looking at the issue from a competitive point of view, our competitors didn't have dominantly red and white wines in the Chicago market in the 1950s; they had their inexpensive dessert wines in the same market as we did, in the same flask, at the same price, with the same ignominy if you will. It was an outgrowth of Prohibition, during which people lost the habit of using table wines. So when our competitors came in with table wines, we had the same opportunity with "Colony" brand and, in my opinion, even more so with Italian Swiss Colony.

It's a sensitive point with me. Suffice it to say that the word "Colony" can be used for cookies, or it can be cheeses or condominiums, or it can be a mobile trailer; it can be used for almost anything. The distinctiveness of Italian Swiss Colony is really lost when one drops down to Colony. The tradition and heritage is totally lost. For that reason I personally feel that was a mistake. There's no way of knowing whether I'm right or wrong, but those are my sentiments.

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Research and Development [Interview 6: 9 March 1988]##

Rossi:

Our research and development and quality control effort really started in 1957. It was impacted by two considerations. One was the fact that our main competitor, Gallo, had introduced Thunderbird, and we could see at the time that it was going to be a totally new, innovative, and lasting product. This was at the time that Louis Petri was the president of the company and Bob Bianchini was in charge of operations. They asked me to step away from the day-to-day winemaking and chief chemist responsibilities at the Asti plant and establish a small group at Asti to develop a wine in a matter of weeks that was competitive to Gallo's Thunderbird, which we did.

At the same time, we needed to consolidate our efforts with respect to quality control. It was my group's responsibility here to review the wines of the company on a monthly basis. I didn't review all of the wines every month, but I would review them in segments. What we did was to bring in samples of our wines from the warehouse, and also wines from our bulk tanks and our competitors' samples. We would taste them, evaluate them, and analyze them, and then send out the results across the company. It was totally objective. So we saw where we stood with respect to competition. And if there were some improvements that were needed, we wanted to know that up front so that we could get back on target. Today this exercise would come under "quality assurance."

That started in 1957, and over the better part of the next twenty years it stayed at Asti and the organization grew. We didn't have a great deal of sophisticated facilities, but what we did do was to take over the laboratory on the second floor which had been used for the production control of the winery operations. Then the winery built a laboratory on the first level which was then taken over by winery personnel for the day-to-day operations of the Asti plant. This was in 1957, 1959, 1960, along in there, so this was actually under Petri. We had three groups with few people: a research group, a quality control group, and a product development group. I say group, but actually there were one and two persons serving each function. As the years went by and the needs seemed to increase, we expanded the number of people. But essentially we stayed within those three categories.

Teiser:

Were you in charge of all of them?

Rossi:

I was in charge of all three. I was in charge of research and development and quality control as a director. Through most of those years I was responsible directly to Louis Petri.

Teiser:

Who was in charge of product development?

Rossi:

I had a man by the name of Frank Robirds doing that. And I had several people in charge of quality control in the early 1960s. One person who was in charge of quality control for the better part of two years was Bertram Silk. Following Bert Silk was Peter Tan, who was also very bright. He is now in charge of the entire research and development and quality assurance complex for Heublein wines at Madera. He's proven to be exceptionally valuable to the company. He had an assistant, Hon Kong Kwok, who joined us in 1967, and he's been with us now for twenty years. He's been very valuable to us.

Over on the product development side, joining Frank Robirds, was a man who was well known in the industry, Ferrer Filipello, who was very bright, a good mathematician, and a very good wine man. Between Frank Robirds and Ferrer Filipello, they did all of our product development work for a number of years and carried us through the era of the Annie Greensprings, T. J. Swann--well, actually we were initially involved in the 20-percent-alcohol flavored wines. Then the 12.5-, 13-percent-alcohol Bali Hai was theirs, and as we went further down the line we got into the Annie Greensprings and T. J. Swann, the 9-and 10-percent-alcohol wines designed to be competitive to Gallo's Boone's Farm line of wines.

Without trying to mention everybody, on the research side of things one of the stars we had in the early 1960s was Dr. Herb Zimmermann, who came to us from Berkeley Yeast Laboratories, which was the forerunner of Scott Laboratories. Herb was a marvelous chemist and was responsible for developing and refining the dichromate method of analysis for alcohol, which turned out to be very valuable, among a lot of other things. Those were the days when the industry didn't have a lot of instrumentation for analysis, so it was more what is known as "wet chemistry," just plain bench work. Herb had a facility to get a tremendous number of very good answers with very simple equipment.

We had a good man by the name of Hsia Chao, who had come to us from Taiwan. He was with us for several years and, on a laboratory basis, developed some technology for ion exchange which is still in use today.

And so it went. It's difficult to mention all the people we had. For several years we had Dr. Charles W. Nagle. I believe he came to us from Washington State University at Pullman, and then he lived in California and opted to go back to Washington State, where he is now. In any case, the group grew over a period of time so that in 1969, when Heublein bought the company, our records show that we had a group of fourteen serving those three functions. Then it developed to the point where in 1973 we had a group of nineteen or twenty. It wasn't an exceptionally large group, but by that time we had added another function, sort of as a split-off between research and product development, a group called process development.

Prior to 1973 we had developed plans for an R and D and quality control building here at Asti. I always felt that had a lot of merit for the company, but that wasn't to happen. It turned out that the top executives of the company decided that it would be a better investment to have the research and development and quality control functions set up in a new building down at Madera, since Madera was really the place where we had the major portion of our wine finishing and bottling operations -- recalling for the moment that in 1964 we had moved most of the bottling from Asti down to Madera. I think the dominating consideration there was that we really needed to have as much technical manpower and ability to be put against day-to-day quality and production problems. The product development was put on the back burner as a second priority to the immediacy of day-to-day problems. Further back from that were the longer-term research projects.

In any case, in 1973 the move was made down to Madera. Between 1973 and 1975, and even up to the late 1970s, more and more of the administrative functions of the research and development group were directed to Peter Tan, and I devoted my efforts more to the product development side of things and to special research projects. One, I might mention, was the development of a way of making Enocianina, which is a dark red color extract from red-black grape skins. We brought a man in to help us do this work in the early 1980s, Dr. Anil Shrickhande, who was a very bright person. We wound up commercially producing and selling this Enocianina for

several years. It was probably the darkest and of the highest purity of any Enocianina that was sold in the world. I don't know of anybody who ever had a better product than what we had.

Teiser:

Does that take the place of, say, Alicante Bouchet in a blend?

Rossi:

No. It's interesting that you mention that. It's against the law to have Enocianina on a winery premise. You can't put Enocianina into a wine product. As a matter of fact, the Italians have made Enocianina from Lambrusco grapes, which are the same grapes that make the Lambrusco wine (it's actually from the Modena area of Italy, which is north of Bologna). They are intensely dark grapes with very dark skins. The characteristic that those grapes seem to have is that they are very dark with modest tannins, at least the coarse tannins. The tannins and the color are in the same family of chemical components, which are known as phenolics. It's sufficient to say that they have very, very dark color, and the color tannins are soft to the taste. So it served to make not only dark red juices and wines for blending in Italy, and also for putting out the Lambrusco wines, but the best Italian Enocianinas were made there in Modena. course, if they made a single extraction of color from a given amount of grape skins, their grape skin extract would be considerably darker than ours, because our grapes did not have the inherent color on a per-unit basis of the skins that the Italian ones did. So our mission was to extract the color and then to develop a way of concentrating the color so that it would be acceptable commercially, which we did.

This activity is being phased out now, principally because of the difficulties of complying with the health and safety regulations. You can't argue against the safety of the public, but at the same time one has to face up to the realities of life. We made the decision that the capital investment to try to cope with this problem disallows us continuing with the project, which is too bad.

Teiser:

Do you have other by-products like that?

Rossi:

No, that would be the main one.

In any case, down to this day the research and development effort is carried on at our technical center at Madera, where I still have my office through the kindness of Peter Tan and other Heublein people there.

Going into the late 1970s and 1980s, my efforts continued to be concerned with product development. I think the product development area had always been a constant in my mind and in my efforts through my entire career. As an adjunct to this product development work, I did direct my efforts in doing public relations work for the company for the Colony brand.

Somewhere in the mid-1970s the company decided to change the name of our Italian Swiss Colony brand to Colony brand for at least the table wines. I believe it was in 1980 or 1981 that we initiated a new series of varietal wines for Colony, and then a year or two later we revised the generic wines, which were the rosé, the chablis, the Rhine, and the burgundy, towards having less residual sugar. At about that same time we had the Chilled Light Burgundy. I can remember being on the PR trail, so to speak, talking about those wines. Of course, it was easy for me to talk about because I'd been instrumental in developing the wines and I was familiar with the history of the company. They had the added advantage of billing me as the third-generation winemaker, which by California standards isn't too bad. (By European standards it is not too much.)

So my activities took that course over the period of years of Heublein ownership.

International Investigations for Heublein

Rossi:

At the same time, in the late 1970s, I became less immediately attached to the day-to-day problems and concerns with United Vintner's efforts in California. I was assigned to international wine projects with Heublein, and that included two trips to Italy that I remember. As people learned that I was going to Italy, the projects seemed to accumulate [laughs]. One was to search for a Trebbiano to import, which we found. Not too much came of it from a marketing side. On that same trip I recall that Mr. Stuart Watson, who I think was the president of Heublein at the time, had asked me if I would look into a number of Italian wineries that were for sale, with a view of seeing whether any of those wineries would be worthwhile being acquired by Heublein. Which I did, and enjoyed doing. The answer was that I didn't find anything that I thought they should buy.

On another occasion I was asked to go down in February to South America to look into their operation in Brazil, and that was an interesting and pleasant experience.

Teiser:

What is their operation there?

Rossi:

They had a winery down there, Dreyer Winery, and then they had a distillery named Drury. The winery was in Rio Grande do Sul, near a place called Bento Gonsalvez. It was very difficult for the grapes to come to maturity there. As a matter of fact, it was at that particular time that Almaden had started growing their grapes down in the very southern part of that state, near the Uruguayan border, where the grapes attained a better maturity. So that was their project for Brazil for that year.

On another occasion I recall that Mr. Powers--I'm talking about Jack Powers now, who was the president of Heublein--asked me if I would go over and work with the Hungarians to develop a Chardonnay and a Cabernet Sauvignon, because Heublein was responsible for distributing Hungarian wines in the United States. Because of the difficulty of the names of the grapes and the places where the wines were made in Hungary, they were difficult to sell. I think Mr. Powers and Ted Eisenberg, who was immediately in charge of those sales, felt that if we could have a Chardonnay wine and a Cabernet wine from Hungary it would help things out. matter of fact, Heublein was responsible for maintaining a certain sales level, and they were frankly having a difficulty doing that. The truth is that I think anybody would have difficulty doing that, with the difficulty of the names they had on the wines.

Teiser:

What did you do, then?

Rossi:

Well, I worked with the people there in Hungary and came back with blends for Cabernet Sauvignon and Chardonnay. That was a fairly difficult assignment because the people in Hungary are behind the Iron Curtain and don't think or act the way we do. They are much slower to react. I remember I sent the equivalent of maybe a thousand dollars worth of our wines over to them, just so they could taste the wines and experience the kind of product that was doing well in the United States. It took me the better part of a week to encourage them to get the wines out of storage and set up a tasting. It was inconsistent with Mr. Powers' view; he wanted me to go over there and get it all done in a week. [laughs] I had to tell him that sometimes you have to be



Edmund A. Rossi, Jr., who had been for many years a consultant to Lancers in Portugal, tasted in 1985 with three of the winery's key men. Left to right: Helder Carreira, chief of the laboratory, Miller Guerra, winemaker, Mr. Rossi, and Luis Oliveira, Cellermaster.



disappointed. These people just don't react the way you hope they're going to react.

I can't say now how much impact the Hungarian wines had on the American market or the degree of success we had, but we did develop the wines and they were bottled and brought here. Heublein's agreement with Hungary has since been terminated. Of recent years, Hungary has become more entrepreneurial in its views and action.

Probably the most extensive experience I've had on the international front for Heublein has been my work with Lancers, which started in 1978 or 1979, and I visited them virtually every year since. I felt it was productive for Heublein, productive for Lancers, and it was certainly productive and most enjoyable for me. I think my mission there was really to review their wines and to make recommended revisions of their blends to make their wines more appropriate for the American market. I've done that over the years. For example, I was instrumental in revising their blends in the direction of having a lower alcohol level, with less sweetness to make them more palatable; I worked with fining materials so that they were softer wines; I tried to enhance the inherent vinosity of the wines as made from the grapes in Portugal.

One of the projects involved making champagne out of a red grape called Periquita, which is indigenous to the Setubal peninsula where the winery is located. As a consequence, once the base material was made, which I was more involved in, they then went ahead and made the champagne using a unique continuous method. The original research work had been done in Russia, but the application of this work was done by Seitz works in Germany. The facility there at Lancers, José María de la Fonseca Internacional, is jointly owned between Heublein and the family. It makes a very fine champagne.

A more recent project was the development of Lancers blush wine; that took place in fall of 1986. More recently I was involved with the revision of several other blends, just in November of 1987.1

Teiser: I see there is a Periquita varietal wine on the market.

 $^{^{}m l}$ For further details of recent work with Lancers, see pp. 131-132.

Rossi:

That Periquita varietal I believe is a red wine, and that's made by another section of the Fonseca family. It's not distributed by Heublein, but it's made in the immediate vicinity.

Teiser:

You had nothing to do with that?

Rossi:

No.

ISC Sale to Allied, 1983##

Teiser:

Shall we talk about Heublein's sale to Allied? I've never been clear on what Heublein kept or still owns. I'll start by asking the immediate causes of Heublein's decision to sell at that point, and what did it sell?

Rossi:

First off, I have to say that I wasn't privy to the negotiations between Heublein and Allied, so I speak from a bit of a distance as to the details.

To me, the background of the sale is simply this: that in 1982 R. J. Reynolds bought Heublein lock, stock, and barrel. And R. J. Reynolds, just like the other successful tobacco companies, because of the social issues involved with tobacco and smoking, was obviously diversifying in the direction to de-emphasize its dependence upon tobacco. So they decided to buy Heublein.

They bought Heublein with all the best intentions, but then I think as they saw the business they saw how capital intensive it was and decided that maybe the investment in Heublein--that for minimum give-ups in potential earnings they could get back some of the capital they had put in the wine business and use that capital more profitably in another direction. So after having looked at the business, along about spring and summer of 1983 it was decided that the Italian Swiss Colony brand, which was the name for the dessert wines, and the Colony brand, which was the brand name for our table wines, as well as the Petri brand, the Annie Greensprings brand, the Lejon brand, and the J. Bonet champagne brand, should be sold.

They looked around for a potential buyer, and apparently they had several people who were interested. As a matter of fact, I know that they had several people who were



MENU

SANDWICH PLATE No. 1

SWEET WINES

Glass of Italian Swiss Colony California Port, Sherry, Muscatel, with Cookies or Panetone 20c

SANDWICH PLATE No. 2

DRY WINES

Glass of Italian Swiss Colony California Sauterne, Sweet Sauterne. Burgundy, with Kraft's cheese, bread or crackers 20c

SOUVENIR from Treasure Island

TIPO - (Souvenir Bottle) Red or White . . . 25c

GIFT PACKAGE — State regulation prevent making direct shipment outside of California. Package contains: 1 pint of Tipo Red and Tipo White, 1 pint Italian Swiss Colony California Port and Sherry, 1 tenth each of California Sauterne and Burgundy.

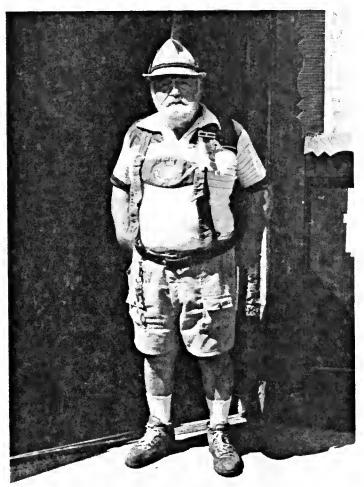
plus sales tax, and express charges outside of bay district

SAVE - HISTORICAL VALUE

Menu, Italian Swiss Colony Wine Garden at the Golden Gate International Exposition, 1939.

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A fiesta was held in 1984 to celebrate the reopening of the Asti tasting room after a period of inactivity. Booths were erected in front of the champagne celler, built early in the century, and the "little old winemaker," featured in a once famous company commercial, greeted guests.

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interested from firsthand information from Mr. Powers. Among them was Allied Grape Growers. I think that Bob McInturf was concerned because he wanted to maintain a home for the grapes of his members. After considerable negotiation, in the fall of 1983 our company, then known as ISC wines, which embraced the brands that I just mentioned and four wineries: at Asti, the Lodi plant, which was the Community plant, the Petri plant at Escalon, and the winery at Reedley, which is now known as Sanger (the previous Cella plant)--were sold to Allied Grape Growers. It was a fairly complex financial arrangement whereby the growers put in a considerable sum as equity, some \$12,000,000. They had financing from Heublein of \$9,000,000, and loans from two banks, Union Bank and B. T. Commercial, approaching \$40,000,000. So overall it was a \$61,000,000 deal.

I think part of the arrangement was for Heublein to continue to bottle our wines at Madera, which was of advantage to us because we needed somebody to bottle our wines; and it was of advantage to Heublein because Heublein didn't want to lose the business or the volume.

Teiser: They were in effect doing custom bottling for you?

Rossi: Yes. The arrangement was signed, and we got started as ISC wines, which was the wine arm of Allied Grape Growers.

Teiser: What did Heublein keep, then, in California?

Rossi: Of course they kept Beaulieu. That wasn't ever in the United Vintners picture. They kept the Inglenook estate line at Rutherford. They kept the Inglenook Navalle line, which was a line of blends that were made and bottled at Madera. You recall my alluding to Jacaré, which was a line of wines in the frost-covered bottles; they kept the Jacaré. They maybe kept the T. J. Swann flavored wines line. But they did not keep any champagne nor any of the brandies. So they slimmed down their line.

Teiser: What did they keep in the way of facilities?

Rossi: The whole Madera facility was theirs and still is. And they kept the Inglenook winery at Rutherford and Beaulieu.

Teiser: What's at the Madera facility now?
Rossi: Oh. it's a huge grape processing

Oh, it's a huge grape processing, crushing, finishing plant; wine processing and finishing; and bottling. They would have

the capability of bottling well in excess of twenty million cases a year.

Teiser:

Does it do much of that for others, or some on its own account?

Rossi:

Well, subsequent to 1983, ISC wines came under the management (I'm jumping ahead a bit) of ERLY Industries, who were Los Angeles-based and who had owned Sierra Wines. We broke away from having our wines bottled at Madera to being bottled at California Growers at Cutler. That diminished the business that Heublein enjoyed there at Madera. Their volume was not cut in half, but it was significantly reduced. So in 1987 everybody at Heublein was overjoyed when they learned of the acquisition of Almaden, because this virtually doubled their potential through-put (that is, wine blending and bottling) at Madera, and definitely tended to make the Madera operation whole again.

Then everybody--I mean the whole world--was a bit surprised when within a matter of weeks it was announced that R. J. Reynolds had decided to sell the entire Heublein organization to Grand Metropolitan of England. But Heublein, I understand, had business dealings with Grand Metropolitan over the years. Among many other things, one of the contractual relationships was that Grand Met distributed Smirnoff Vodka in the U. K. And that's just one example of what had preceded this whole thing.

Teiser:

So that plant is now busy with Almaden?

Rossi:

That plant's now busy with Almaden as well as Navalle, and I'm glad for them that they are. I have a lot of friends who have more job security than they had a year ago, and that's fine with me.

Teiser:

Was the Allied purchase motivated by the desire to keep a home for their grapes, or did they think it was a good going proposition?

Rossi:

I think there was another facet to that. We had talked about the difficulty that Heublein had with the contractual arrangement for their grapes. With the sale of ISC wines to Allied, the contractual obligation that Heublein had with Allied to take the grapes was greatly diminished over a three-year period and beyond. So they felt freer about where they could get their grapes. They just didn't want to carry

that financial burden any longer, and so that was a strong motivating factor to Heublein.

Teiser:

From Allied's point of view, did they think it was going to be a good business deal?

Rossi:

It turned out that the purchase of ISC wines by Allied in 1983 was based upon a degree of optimism that our ISC sales would increase, when in fact they were on the decrease and we had all we could do to stem the decrease, to say nothing of effecting a significant increase in sales. The viability of the whole purchase from Allied's point of view was predicated on the fact that our sales were going to increase. I think the records will show that '83 and '84 were very difficult years for the wine business in general. In that environment, the purchase of a company on a highly leveraged basis really had a greatly diminished chance of success. And in fact it did not work out for the growers; they essentially wound up losing all of their equity.

ISC Sale to ERLY Industries, 1987

Rossi:

Then ERLY Industries came in and took an option to buy the company and took a management contract to run the company, with the idea of infusing the company with fresh ideas. And they've had considerable success with their own ventures, I think particularly with the olives. They were very successful in the olive business.

Teiser:

Was that the Early California olives?

Rossi:

Yes. Two key people there are Gerald Murphy, president of ERLY Industries and chairman of Beverage Source (it includes Colony wines), and Bill McFarland, who is the president of Beverage Source now.

So they took charge and slimmed the company down. We're running with a much smaller administrative staff. If we've added anyplace, we've added to the sales area, which is where we need the effort to be made.

Teiser:

Were your administrative headquarters shifted?

Rossi:

The administrative headquarters for ISC wines had been at 490 - 2nd street since 1983, and they're still there. The

president of the company initially was John Keller. He left after a year or two and Richard McCombs took over as president. He was a man who came into the company with a very strong financial background. When ERLY Industries took over the management of the company, Richard McCombs left his spot as president of the company to Mr. McFarland and took on the title of executive vice-president, which is where he is today. In 1987, to get down to where we are currently, ERLY Industries made an arrangement with Allied Grape Growers to buy Colony wines, or ISC wines, so it is totally owned by ERLY Industries. The idea is that we're now consolidating our operations. We don't operate the plant at Lodi any more.

Teiser:

What has happened to that plant?

Rossi:

I believe we plan to sell it. Incidentally, R. Gerzerske was the key man at the Lodi wineries--first at Shewan-Jones and later at Community for many years. As far as the winery at Escalon, ERLY Industries leased it to Heublein with an option to purchase at a future date. [added later: The sale was consummated in August 1988.]

Teiser:

What are they using it for?

Rossi:

They're using it for the northern San Joaquin Valley grapes-red, rosé, and white wines. A lot of the wines are going
into their brands, into the Inglenook, Navalle, and Almaden
brands.

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Rossi:

The company was renamed The Beverage Source in 1987. The name was initiated because Mr. Murphy and his associates wanted to have a name that would indicate a broader scope to the beverage industry, since they also had an interest in Hansen's juices as well as the wine business. The idea was to take advantage of some efficiencies and profit opportunities by having trucks that could be delivering Hansen's juices and wine at the same time. It just meant there were that many more items that our facilities could take advantage of.

Teiser:

Where does Sierra fit into this?

Rossi:

Sierra was also owned by ERLY Industries for a number of years. I'm not certain when ERLY Industries bought the Sierra Wine Company, but Sierra Wine Company has a plant at

Tulare and another plant at Delano. They will be operated to make wines for our brands.

Teiser:

Did Allied change the labels?

Rossi:

While Allied owned the company they certainly sat on the board of directors, and Bob McInturf attended many of the executive meetings of ISC wines, but the decisions really were left to the wine executives of ISC wines. Oh, some labels were changed. We dressed up the Lejon label. We made a change in the Colony label: we used to have a black band across the bottom, and we realized that if that was displayed on a case where just the bottom was cut out, you could see the label but the word "Colony" was hidden; so we thought it was wiser to put the "Colony" across the middle.

But they left all the marketing decisions to the ISC people, subject to their approval. Because there were some major financial decisions that had to be made: whether we put money against advertising on, say, radio, or whether it should go on t.v., or whether it should go towards point of sale--those kinds of things that involved basic financial decisions of the company I think were certainly brought to the board of directors, and the board of directors were the representatives of Allied who owned the company.

Teiser:

They certainly had what seemed an effective advertising and publicity campaign based upon "We got our company back," or something like that.

Rossi:

I think it was reiterated effectively on t.v. I'm not an expert on advertising, much less t.v., but the difficulty about t.v. is that it lasts just so long and then you're almost put in a position where you have to start another campaign. I think it had a nice ring to it, that the company was bought back. From the inside, I have to be frank and say that I always felt that the t.v. ad never indicated who bought the company back. I had people ask me if I bought the company back. Well, that's about as far from the truth as you can get. But that really isn't an issue, and maybe I'm overly sensitive to that point because I've been so close to the company for so long that I happen to be personally sensitive to who bought the company back, but to the average person on the street it may not make any difference.

Teiser:

The image on television was that one of the people working in it had bought the company back.

Rossi:

Yes. It wasn't as effective as it might have been, you know, and I imagine for a lot of reasons. You can look back on something and Sunday-morning-quarterback almost anything as to why it didn't work. You could ask, "Who was buying the company back?" If it was the growers in California who had suffered adversity, at least one didn't suffer so much adversity that he didn't have an airplane to fly his wine home. I Those are all things that people can criticize.

As I look back over the years, the industry tended to go through a series of advertisements, I think largely started by Coca-Cola, as to who won the most gold medals or the most prizes.

Perhaps the first people to hit with that advertising had some success, but then the other "me, toos" after that didn't enjoy too much success. Then there have been any number of campaigns where people have tried to point out the place of wine in gracious living, and serving wine with food. I think that could still be effective. People are looking for something that's innovative and still has something that will appeal to the average person on the street.

But we still have these roadblocks in the way. We have the neo-Prohibitionists, we have the social aspects of wine drinking. Some people are really condemning the use of alcohol as a source of wrong instead of attacking it from the point of view of needing better educational programs.

Distinctions of Italian Swiss Colony

Teiser:

Let me go back to some unique earlier aspects of Italian Swiss Colony. I haven't asked about the fiasco, the bottle which I suppose came in with the Tipo Red, "Tipo Chianti" originally. I read an article someplace about a Chinese man who had a factory in Cloverdale that wrapped them. Were the bottles imported from Italy originally?

Rossi:

The bottles were imported from Italy originally. There's a story on the Tipo Red that I can show you. That was one of the early wines that Italian Swiss Colony put out around the

 $^{^{}m l}$ A grower's airplane figured in the television commercial.

turn of the century. Initially there was Tipo Red Chianti and Tipo White Chianti. It was changed to just plain Tipo Red and Tipo White. For sure it was one of the first proprietary brands in the United States. Whether it was the first is difficult to tell. It was certainly an extraordinarily popular wine with restaurants. It was strongly promoted through the years, and following Prohibition I know my father and uncle strongly promoted Tipo Red and Tipo White. Following the sale of the company to National Distillers, I know that in the first years that I was with the company in the 1950s they tried to expand the line of the Tipo into dessert wines. That didn't work.

During the war my father and Enrico Prati had difficulty getting the raffia, and so as I recall they had to bring that in from Mexico.

Teiser:

They also had for a time a plastic filament that they wrapped it in, with a little plastic base.

Rossi:

Yes. You are correct.

George Ng made these raffia bottles up in Cloverdale. Later the operation was transferred to a building east of the winery at Asti. In recent years they were brought in from Taiwan. It wasn't well done, because the bottle didn't seat well into the basket. If you looked at the bottle in the case it looked nice and straight, but when you took the bottle out, the raffia was too loose round the bottles. It wasn't a satisfactory package.

Under Heublein management there was some difficulty as to just exactly where to market position Tipo Red and Tipo White wines. They didn't fit with the inexpensive jug wines, and at the same time they weren't in the premium class. I'm talking now of the 1970s, where we were dealing with the Inglenook estates, which were considerably higher priced. I don't know that this issue was ever constructively addressed as to how we could make it go. Because with the difficulty that Heublein had in making a profit from Heublein wines, they did make a policy decision that the wines they were going to emphasize were the Inglenook Navalles because they had the greater chance for bringing down profitability than the Colony wines did.

The Colony wines were not discarded; there was simply a lesser allocation of promotional money, be it advertising or point of sale material supporting the Colony wines vis-à-vis

the Navalle wines. That was an okay business decision as far as I was concerned. But that left the Tipo Red and the Tipo White as the nickels falling between the cracks. It was hard to find a niche for them. By the time the mid-1970s came along we weren't talking Tipo White any more; we were talking Tipo Red. The sales of Tipo Red were not so large, though they weren't insignificant. It wasn't judged to have sufficient earnings potential to get the attention it needed to survive.

Teiser: Was it phased out then?

Rossi: Then it was phased out.

Teiser: Back to the "little old winemaker"--was that the slogan of both radio and television ads? I think the radio jingles started under Petri.

Rossi: I think that the "little old winemaker" and "You can't miss with Italian Swiss" slogans were pre-Petri; they were when my father was running the company.

Teiser: They were effective, or at least they were surely memorable.

Rossi: Yes. I think the little old winemaker probably had as good a recall as any advertising that was ever seen in the California wine industry.

Teiser: It was on billboards and in printed ads. I have some old ads from <u>Sunset</u> magazine. Can you describe the figure of the little old winemaker?

Rossi: Well, he was dressed in typical Swiss short trousers with socks that would come up to his knees. Then he had the green suspenders, as I recall, and the white shirt, and the alpine hat. I don't know whether there was a Mrs. there, or just a Mr. I think maybe it was just the Italian Swiss little old winemaker.

Teiser: When was it that you had a celebration at the Asti Winery and brought him out again?

Rossi: That was in 1983, after we had bought Italian Swiss Colony back from Heublein. We had a party here in early fall.

Teiser: You had a ferris wheel and tours of the winery, and the little old winemaker was there. I took a picture of him. I

think it may have been when you opened the tasting room to the public again.

Rossi:

Yes.

Teiser:

Was the man who took the part of the little old winemaker one of the originals?

Rossi:

I can't say, because I don't remember who he was. There were several men. We had a number of male guides here at the time who dressed with the Swiss costume. As a matter of fact, I think the women in the tasting room had the maidens' Swiss costumes, too. It was a nice idea. And the whole idea of the tasting room, I believe, started very soon after Prohibition. I think we were among the first that had a tasting room in the wine industry here.

Teiser:

There was some possibility that it was the first after Prohibition, was there not? Have you ever established whether it was the first?

Rossi:

No, I haven't established that. But I know that for years and years Mrs. [Isabelle] Haigh used to have a little tasting area in her winery down there at Simi, in Healdsburg. It wasn't the facility that we had here, but nevertheless she was a pleasant person and enamored herself to a number of people. There were many people coming down Highway 101 who wouldn't go by Healdsburg without stopping to see Mrs. Haigh. I don't know whether Mrs. Haigh started her tasting area before we did or not, but it was soon after Prohibition.

Teiser:

Roma had an early one.

Rossi:

Yes. And I think it was in the 1938 international exposition on Treasure Island $^{\!1}$ that Italian Swiss Colony had the wine garden there. I think that was quite a large success.

Teiser:

This is a little folder from the wine garden. It's either 1939 or '40.

Rossi:

Oh, my. Look at that: you could have a sandwich for 35 cents, and a glass of wine for 20 cents.

Teiser:

I think the 35 cent sandwich came with a glass of wine.

 $^{^{1}}$ At the Golden Gate International Exposition.

Rossi: "Assorted cold meats with French bread and a glass of wine:

35 cents. Sandwich plate #1." [laughter] And for 15 cents less you had the glass of wine anyway, but they gave you

Kraft cheese and crackers. That seems extraordinary.

Teiser: Did you go to that fair? You must have.

Rossi: Yes, I do remember going to that fair. The wine garden was

quite popular. For sure it was popular for the wine, but I think the second reason it was popular was that people just got exhausted walking around that fair and were delighted to

find a place to be able to sit down. [laughter]

Responsibilities Since 1983 [Interview 7: 4 April 1988]##

Teiser:

When Heublein decided to sell, you must have been given the choice of going with Heublein or ISC.

Rossi:

I wasn't totally given the choice. It was pretty much mandated that I was going to go with ISC, because they felt that I had been doing public relations work for ISC and that I would be of more value to the ISC organization than I would have been to the Heublein organization. I think there was some logic to that, except that nobody came to me and told me that. That was just sort of planned for me.

Teiser:

How did Heublein plan to keep a month of your time a year?

Rossi:

That was an arrangement that Jack Powers of Heublein and Bob McInturf of Allied worked out--that they would have a call on my time of up to a month a year for overseas projects.

Teiser:

Can you tell what those recent overseas projects have been?

Rossi:

The overseas projects from 1983--in other words, from the sale of ISC wines to Allied--had been confined to going to Lancers. They were essentially centered around my consulting with them on their blends, whether it be the red wine, the white wine, or the rosé, toward satisfying the American consumer. I consulted with them in making the base wine for the Lancers champagne. On later visits I always reviewed the champagne that they actually made through a continuous system of champagne-making, which is unique in the world.

More recently, in 1986 the big project for that year was the Lancers blush wine. I think that did fairly well last year. This last year, in the fall of 1987, I revamped their red wine blend and also made recommendations regarding their white blend, and also came up with some ideas for product line extensions for new products, which they may see this coming year.

Teiser:

Lancers has had a very strong position in the United States market, has it not?

Rossi:

Yes, they've held their volume to be quite stable. I first started to go there in 1979. Their sales were roughly two-thirds rosé; rosé was their big item. Then they had maybe 10 percent red and the balance would have been white. Given

the fact that the rosé sales have dropped off in the United States and the fact that Lancers imports have stayed quite steady, I think it's a credit to the marketing department that they have compensated for that. One of the areas that compensated for that was the Lancers blush. More recently their sales in the U.S. dropped off in concert with other imported wines, but European sales picked up.

Teiser:

Have you kept them in tune with American tastes?

Rossi:

Yes, tried to. They're good people to work with, both on the other end in Portugal and in Hartford. They're open to new ideas. I've always found that with the Heublein organization one would never be ridiculed for bringing up a new idea. That's a very positive sort of an atmosphere to be working in. They'll really give new ideas attention right away. That's very encouraging. And not just the production people, but the management people and the marketing people--if you have a good idea it might be marketable. It's the same old story as in many other products: the first person on the street with the new idea is the one that gets the biggest piece of the pie. So they've always been aggressive in that way.

The Beverage Source, 1988##

Rossi:

In 1986 ERLY Industries took a management contract and took an option to buy a portion of the company within three years. It was last year, in 1987, that ERLY Industries opted to buy the company from Allied Grape Growers in its entirety. They did that, and that's where we are today. At the moment the company is continuing to be under the management of Mr. Bill McFarland, our president, and Jerry Murphy, the chairman of the board. So our production facilities are not only the winery here at Asti, but also the winery at Sanger, the former Cella plant. We've closed down the winery at Lodi, which is the former Community winery. Of the two Sierra winery plants, the one at Tulare is working and the second at Delano is not. Our bottling is done at Cutter at facilities leased from California Growers.

From a marketing point of view, our thrust now is to maximize profit potential, even with the smaller sales volume, to try to get into lines that will show a profit rather than just trading dollars. We need to maintain a

certain volume, for example, with Colony wines to pay for the bread and butter (that is, to cover the fixed costs) and at the same time generate sales in new brands. Our North Coast Cellars wines have good price/value relationships and at the same time will return us a good profit on the investment. That's what our main thrust is now. All of our sales people are geared in that one direction, and they're all optimistic. It's a matter of whether we can beat time on it.

Teiser:

What about the new labels for the Beverage Source?

Rossi:

I just alluded to the North Coast Cellars. We bought that brand from Souverain; it was the second brand of Souverain. We upgraded the quality in that. The brand includes a Chardonnay, a Sauvignon blanc, a white table wine, a red table wine, a Cabernet, and a white Zinfandel, all fairly successful. The varietals are more successful than the generics. Then we brought out Royal Knight champagne to be competitive with Cook's champagne, and that's doing fairly well. The other champagne that we brought out, with a traditional cork finish, is the Ranneau which has North Coast wine in the base wine. It's quite a pleasant wine that sells for around six dollars on the shelf. It was the only domestic champagne that was mentioned by Tom Stockley last winter as one of the three best six-dollar champagnes available in the Northwest. The other two were imports. he was quite taken with it. It's a good wine.

Those are the directions that we are going in.

Teiser:

You have the little single-serving tetrapack.

Rossi:

Yes. They hold 187 ml--a split size. We have those going out under Colony brand and under another brand called Creekside Cellars. The Creekside Cellars are the varietals, and the Colony are the generics. I think it's a little bit too early to predict what's going to happen with that. People have to get used to the package. I've noticed over the years that new ideas take considerably more time than one generally plans for.

Then we have the Sbarboro label. The Sbarboro brand is the top of our line. We have a number of 100 percent Sonoma County vintage wines, a Cabernet, a Zinfandel, a Chardonnay, a Johannisberg Riesling, a Gewürztraminer, and a Sauvignon blanc if we think it's good enough. Last year we didn't, so we didn't bottle it under the Sbarboro label.

Industry Organizations and Research Papers

Teiser:

Let us ask about your industry activities. I believe you had been to the Wine Institute's Technical Advisory Committee meetings with your father when you were a young man.

Rossi:

I started with Italian Swiss Colony in February of 1949, and it seems to me that I attended several meetings with him, perhaps in 1948. The two things that I was impressed by were, first, the fact that my father, who was the president of the company, took time out from his understandably busy schedule to attend those technical meetings. Because he was technically inclined, and he was very quality minded. He felt that the quality of the wine was a critical factor to the success of the business, and it wasn't something that was delegated to a vice-president in charge of research or something else; he himself wanted to go there so he could hear firsthand and ask questions about ideas that were being expressed. I'm not quite certain when that Technical Advisory Committee first started.

Teiser:

I have here that it was formed June 6, 1944. This is a record of it from the Wine Institute.

Rossi:

I see. Well, it was a fairly small group in those days, and we didn't stand on a lot of formality. I think there may have been twenty or twenty-five people who would attend. have minutes of a meeting somewhere in my files that go back at least until 1949, and most of the subjects that were discussed were practical subjects. Sometimes it would evoke a difference of opinion and people would shout at one another, but they would all wind up friends. The fact that they did feel free to shout at each other and to get excited brought out the differences, and in bringing out the differences it sort of clarified the picture, whatever the issue was. It was a good exchange medium. It was not only an exchange of practical information, it served a second purpose, in my estimation. It reinforced the need for a more formal group to be formed, which turned out to be the American Society for Enology and Viticulture.

Teiser:

Did it relate to that?

Rossi:

I believe it led to it, because the TAC presentations were very practical. It's not that they weren't well made, it was just that some subjects needed to have a deeper treatment. They needed to be recognized as scientific papers on the part



Edmund A. Rossi, Jr., interviewed by Lisa Jacobson, March 9, 1988.

of those of other scientific organizations in the world--be it the food technologists, the beer people, the microbiology people, the American Chemical Society, or whatever it would be. The enologists needed to attain the degree of professional status which was their due.

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Rossi:

Most of the people on this list¹ are industry people. That isn't to say that there weren't some university people that took part. But university people, of necessity, must have high standards for the scientific papers that they write, and they must do a considerable amount of literature research. They often pursue a specific technical point in the light of research work with the idea of bringing out new information for the future. That wasn't always the nature of these Technical Advisory Committee presentations. Not that these weren't practical and valuable, because they were enormously valuable.

In any case, the concepts went hand-in-hand. The industry recognized, certainly, that because we had the Technical Advisory Committee it was not reason not to have the American Society for Enology and Viticulture. Because, you see, the Technical Advisory Committee got started in 1944 and didn't really get dissolved until 1973. That was a twenty-nine year span. The American Society for Enology got started in 1950, so it is obvious that the Technical Advisory Committee of Wine Institute and the American Society for Enology and Viticulture operated in parallel with one another for twenty-three years. So it had to work.

The second point was that there were many instances where technical problems would be brought up at some of the other committee meetings of the Wine Institute, and those would be brought to the Technical Advisory Committee for answers. Or if not for answers, at least for investigation. A sub-committee of the Technical Advisory Committee would get together and put together a response. So it served a very good function.

The first meeting relative to the American Society for Enology and Viticulture that I attended was at a place called the Wolf Hotel in Stockton.

¹Of TAC chairmen; see Appendix III.

Teiser:

So far as I know, that was the first meeting.

Rossi:

In the late 1940s and early 1950s, the status of winemakers wasn't really that good, wasn't really that substantial in the wine industry. It even says here that some of the cellar people would make more money than the winemakers, and it was not unheard of that the winemaker would be fired before Christmas and then rehired before the next vintage. Well, you don't establish too much of a career on that sort of a scheme.

Teiser:

Do you remember from that early meeting at the Wolf Hotel who took the lead?

Rossi:

Charlie Holden clearly was the lead man.

Teiser:

What was he like?

Rossi:

I think he was a capable scientist and a good wine man, and I think he was a persuasive person. He was certainly not abrasive, and he was obviously forward thinking. According to this, he had had experience with the American Society of Brewing Chemists. He felt that the enologists, or winemakers, could take a page out of this American Society of Brewing Chemists. Apparently he had forwarded copies of that journal, the Wallerstein Laboratory Communications, which was an excellent publication, to Maynard Amerine! Once that got started and the university people saw that there was real interest and an opportunity for them to express themselves in a scientific way to the scientific community at large, then they got behind it.

Some people might have taken the small view that the winemakers were trying to form a union. Well, I don't think that was so. I mean, there was a far cry between trying to form a union and trying to find yourself with a twelve-month a year job on a professional basis. That was the point at issue. I think it's a well-known fact that technical people have been very important. Just as an example, in the early years and even right up to today, Charlie [Charles M.] Crawford, who was a very good technical man, was one of the cornerstones of Gallo's growth. I think there would be many other instances where that could be shown, particularly with the technical difficulties that people had coming out of

¹Leonard J. Berg, <u>History of American Society for Enology and Viticulture</u> [n.d., n.p.], 1984.

Prohibition, with Fresno mold and all the rest of the microbiological problems. They just had to be solved-oxidized white wine, champagne with copper sulfate hazes in them, and all the things that it's so horrendous to think about. But that doesn't mean that they didn't exist and that they weren't problems that had to be solved.

They did have to be solved, and it was a question of the key technical people getting together and saying, "Look, we really have to get some recognition for winemakers as a group, number one; and number two, we have to establish a medium of exchange of ideas." Then it was further supported by the fact that the university people saw the merit. Then the people who were, after all, supporting the university and looking to the university for enology graduates supported it and sent their winemakers to these meetings. And they were willing to ally themselves as an industrial affiliate of the American Society of Enologists, which gave us some working capital to get started with.

They started putting out a publication. The first few meetings that we had were actually at Davis. Here is the American Society of Enologists' first annual open meeting at Davis, July 26, 27, 28, 1950.

Teiser:

Let me ask you what your own activities were, first in the TAC and then in the American Society of Enologists.

Rossi:

In one of the early years of the American Society of Enologists I ran for treasurer and lost the election to Roy Mineau, who was with Roma. He was a very nice person, a capable man; I didn't mind losing to him. In subsequent years I was asked to run as an officer for the ASE, but I had other activities up here in Sonoma County. First off, I was on the school board in Healdsburg for a number of years, and second I was very interested in the Sonoma County Winegrowers' Association. I think I was interested in the Sonoma County Winegrowers' Association from about 1960 to 1965, that five-year span. At the same time, this record here shows that I was the chairman of the Technical Advisory Committee from June 1963 to 1964. So the early 1960s, I guess, were fairly busy years for me, and I just felt I had to limit the number of activities that I tried to involve myself in.

As I recall, I was in charge of the exhibits for the American Society of Enologists for two or three years, likely 1956-1957. I remember when we first had the exhibits they

were almost all on card tables at the University of California. Maybe twenty card tables would take care of the exhibits, and now, of course, we have a huge room with literally several hundred exhibits, some of them as large as bottling lines and centrifuges and that sort of thing. Talking about the American Society of Enologists, what started with a charter membership of less than a hundred has now virtually exploded into somewhere between fifteen hundred and two thousand.

Teiser:

Did you have special areas of interest as a member of the TAC? Did you make reports on certain subjects?

Rossi:

I think one of the most effective reports I made to the TAC was a report on a survey I made of champagne-making in California. I believe it was the Charmat process for champagne-making. I presented that to one of the early meetings of the TAC.

Teiser:

That meant that everybody knew just what was going on.

Rossi:

Yes, and that particular presentation was referred to as a source of information in the chapter on champagne-making in Amerine's book on winemaking later on.

Teiser:

About when was that paper?

Rossi:

I believe it would have been in the sixties.²

Teiser:

I know the committee did a lot of work on waste disposal. Were you in on that?

Rossi:

I didn't do too much work on waste disposal. I know that in the early days of our association with Petri, through Louis Petri's personal friendship with people at Bechtel Engineering, we had a project with Bechtel Engineering on waste disposal. I think from the very beginning that was recognized as a clear-cut need for the wine industry.

Other papers that we did when we had our other practical research work that we did here at Asti were presented to the American Society of Enologists, and they

¹ Membership had grown to 2,300 by late 1989.

^{2&}quot;Sparkling Wine Production by Charmat Process," June 7, 1965.

turned out to be fairly valuable. We can list them as a matter of record, if you like.

Teiser:

Yes, please do.

Rossi:

One of the first was in the 1960 edition of the American Journal of Enology and Viticulture, an article on "Low Level Carbonation of Still Wines." That was co-authored by myself and George Thoukis, George, of course, now being one of the top wine men at Gallo. It dealt with factors affecting the absorption of carbon dioxide into wine. It's kind of a reference article.

Then there was an article that was presented in the 1963 edition of the American Journal of Enology and Viticulture, called "Ultraviolet Light as an Aid in Winemaking." That was presented by myself only.

Teiser:

Was that a result of work that you did here?

Rossi:

This was done at Asti. What it really showed was the effectiveness of ultraviolet light shining on the surface of wine in preventing acetification. It turned out to be a very practical way of controlling acetification. Where a winery must of necessity have open tanks, where the wine is exposed to some air, it's virtually impossible to exclude all oxygen from the head space; acetification is a serious risk.

Another from my group was presented in the 1963 edition of the American Journal of Enology and Viticulture, entitled "Studies on the Dichromate Method of Alcohol Determination." That was authored by H. W. Zimmermann. Herb Zimmermann had a Ph.D. degree and had worked for years with Julius Fessler at the Berkeley Yeast Laboratories before he decided to leave the Bay Area and come up and work at Asti. He was an excellent researcher, and he really did more than anybody, I believe, to promote this particular method of analysis, which is still used in many wineries today. This, of course, was prior to the advent of the use of gas chromatography for the analysis of alcohol. But nevertheless, it was a very basic piece of research work.

In the 1964 edition of the American Journal of Enology and Viticulture we presented a paper entitled "Alcohol Losses from Entrainment in Carbon Dioxid Evolved during Fermentation." This was co-authored by H. W. Zimmermann, E. A. Rossi, Jr., and E. Wick. This showed the effect of the physical circumstances under which fermentation occurred as

they impacted on alcohol losses. It explained where these losses would be incurred in a practical winery operation.

You see, a lot of our papers at that time were very practically oriented. There was another paper that was presented in the 1965 edition of the American Journal of Enology and Viticulture entitled, "Sugar Extraction from Grape Pomace, with a Three-State Countercurrent System." This was co-authored by R. J. Coffelt, H. W. Berg, Paul Frey, and E. A. Rossi, Jr. Again, you must remember that those were the days when people were still making a lot of alcohol, because it wasn't until the late 1960s that the volume of table wine overtook the volume of dessert wine being sold. So the recovery of alcohol from grape pomace in the form of sugar was of critical significance. That was always a problem, the recovery of sugar from pomace. It was much harder to recover the sugar from pomace than to recover the alcohol from pomace. The alcohol was far more readily soluble, whereas the sugar is always tied up in the cellular structure of the skins. One always had the dilemma of how long to wait for a thorough extraction. The time factor was typical of many projects.

In 1966 we made a presentation to the American Journal of Enology and Viticulture called "Non-Sugar Solids in Various Varieties of California Grapes." That was presented by an associate of mine, Frank M. Robirds, and myself, Edmund A. Rossi, Jr. This gave an idea of what the facts were, what the difficulties were, in trying to predict the amount of alcohol in the form of wine or high-proof that one could realize starting with a given grape or series of grapes. What we essentially tried to do was to work back to pounds of sugar received, and then work towards pounds of alcohol produced, and then get an efficiency factor. Of course, the efficiency factor varied greatly depending upon what processing had been required. This, again, was a very practical sort of project.

Advances in the Vineyard and the Winery##

Teiser: These were the days before there was much interest in

harvesting at low Brix?

Rossi: Yes.

Teiser: That came in with the increased interest in table wines?

Rossi: Yes.

Teiser: It was really quite a revolution, was it not?

Rossi: Yes, very much so. When I made that trip to Portugal to consult with them on the making of a champagne base, they had to bring in red Periquita grape at maybe eighteen to twenty Brix, when all their lives, literally for generations, they had brought it in at twenty-two to twenty-four, simply because the higher the Brix the better the grape for red winemaking, the higher the alcohol. The standard for red winemaking was totally different than the standard for making champagne base.

As better and better varieties were planted in California, and people were more concerned about making premium white wine and premium red wine, research and operation interest broadened. In the 1960s there was a great deal of understandable concern as to the effectiveness of alcohol recovery. We considered the grape as a means of making wine, to be sure; but, on the other hand, if 50 percent of the grape had to be made into alcohol to fortify the wine to make a dessert wine, then we had to be concerned with how we could effectively and efficiently recover the material to distill into the alcohol. One can see from the studies that we were doing in those days that they were very much concerned with alcohol recovery.

I think the last report that I read was in 1966. 1966 there was still more fortified wine being made than table wine. We have to remember that 1966 was about three years prior to the point that Heublein bought us, and it was right about in that period of time that table wine sales overtook dessert wine sales. Once Heublein took charge, it wasn't that they were adversely concerned with doing research work on basic issues for winemaking, but of necessity the priority shifted in the direction of the development of new products -- flavored products and natural wines. So that really took a lot of our effort, once Heublein took over. As a consequence, our portfolio of scientific presentations did not extend into the 1970s, when no doubt we would have been interested in the factors concerned with the production of table wine.

ser: I've heard it said that following the revolution in the winery, which I think you've just been describing part of,

Teiser:

was a revolution in the vineyard. Is that an oversimplification?

Rossi:

I think as the demand for better table wines grew, the first place for the grapes to come from would be Napa, Sonoma, Mendocino, in the North Coast counties, and perhaps in the South Central Coast. I don't recall at the moment just when the Monterey County grapes were planted.

Teiser:

It started about 1960, but it didn't grow to much until 1970.

Rossi:

Exactly. I think in well-established counties one can see that with the price increase of Sonoma County grapes, also the mix of grapes improved. Just as an overall figure, in 1948 there was a total of 16 thousand acres of all grapes in Sonoma County, and they were 57 percent premium grapes. 1983 there were 25.5 thousand acres, and they were 93 percent premium grapes. That's forty years, which is not an insignificant period of time, but this is a huge change. premium grapes, for example, in Sonoma County (to reiterate those figures for a moment) increased over those forty years from 9.2 thousand acres to 23.8 thousand acres. almost a threefold factor, and that's just in terms of bearing acreage only. Because superimposed on that is the fact that with improved viticultural practices they were able to get better yields, so the actual tons of grapes were probably better than threefold.

Teiser:

Did you at the winery demand those better varieties? Is that part of why they planted them?

Rossi:

I think the people could see that the trend past 1970 was definitely towards table wines, and then past the late 1970s was towards white wines over red wines. This one chart showing Sonoma County grapes acreage shows that over that twenty-year span black grapes held about the same, but the expansion was in white grapes. The premium black grapes in 1948 were 9 thousand acres, and they increased to 14 thousand acres in 1983. In the white grapes, in 1948 there were 156 acres of what I designate premium grapes, and in 1983 there were 10,500 acres. So you can see where all the effort went; it clearly went into white wine.

Teiser:

That was implemented by your ability to handle white wines better?

Rossi:

Oh, yes. The technology for making red wine I think was clear in the North Coast counties for years. It was getting

the grapes at the right sugar level, and then the management of the grapes during fermentation. Once the wine drained, then you had a matter of aging the red wine-how you aged it and how long you aged it. The red wine was hardy enough that it pretty much took care of itself. Whether you were dealing with a standard red wine made, perhaps, out of Carignane, or Petite Sirah, which was never considered a top premium varietal but a marvelous blending wine for, say, burgundy, it didn't make too much difference if you were making those kinds of wines vis-à-vis making a Zinfandel or a Cabernet. The key refinement that came in, in the late 1970s to 1980s, about making red wine would be the impact on quality of aging in, first, small American barrels, and, second, imported French ones. But the basic making of the red wine was essentially the same.

Now, in the case of white wines, there was a total revolution. We had to learn about all of the factors that dealt with oxidation of white wines, clarification of white wines, the retention of the delicate flavor of white wines, and fermentation temperatures of white wines. So the whole technique for making white wines I'd say went through more of a revolution than did the reds. I think that was the technology that was developed from the 1960s to the 1970s to the 1980s. As the consumer demanded more table wine, if they wanted more red wines, people made better quality red wines. Then it went from red wines, with rosés brought in there, too, into white wines, and that technology had to be dealt with. When we wound up developing the technology on the winemaking end, then we came to where we are today. ask what factors are involved in growing the grapes that will impact on the quality of the wines. I believe the thrust of the next ten years will be viticultural developments to improve wine quality.

Teiser:

Let us discuss your association with the Institute of Food Technologists and the American Chemical Society.

Rossi:

I've been a member of the Institute of Food Technologists and the American Chemical Society to try to keep abreast as much as I could on scientific developments in fields other than enology. I can't say that I ever presented any scientific papers or even attended any more than regional meetings.

Teiser:

Did you use what you learned from them?

Rossi:

I would say that in a general way one would receive ideas as to what might be applicable in the wine business, whether it Teiser:

You were telling us off the tape that there was a long speech in Italian.

Rossi:

Mr. Cora was acting as the interpreter, and it was amusing because the mayor of Asti would make quite an extended comment to him, greeting me to the city. By the time it got translated to me, Mr. Cora would say, "Mayor Vigna has asked me to let you know that he wants you to feel most welcome to visit the city of Asti." I'd say, "Well, thank you very much. Mrs. Rossi and I are delighted to be here, and we're very touched and pleased with the lovely welcome that we are receiving today." That would get translated back to the mayor of Asti, but it would be maybe ten times the verbiage. I have to say that over the years I've always wondered just exactly how this fit together, but it worked out okay. [laughter]

I think it gives a feeling of how the Italians do things, and maybe how other people in Europe do things. They sent me several pictures in color that had been taken of the people that day that we were there. They sent me two copies of the pictures; one was just for me to show to people, and the other picture was for me to keep. And the set for me to keep was personally signed by everybody in the picture on the back of each picture, which I thought was a nice touch.

To me such an occasion is part of what this wine business is all about. I think the wine business has to have a dimension beyond scrounging for shelf space in the supermarkets throughout the country. It has to have a tradition or a heritage of it, and a feel for it. There are other and perhaps more opportunistic ways of making money than being in the wine business. So I think that's part of the enchantment of being in the wine business--expressions such as this, where it was just meant out of true friendship, without any sentiment of reciprocity.

Teiser:

The local award that you received from the wine and cheese group here--that's the same, is it not?

Rossi:

That is pretty much the same. That came about in 1981. My goodness, I was getting a lot of awards towards the end of '79 and '80, '81. The Riverside Wine and Cheese Exposition has a lovely show every year, and they would select one person to be the wine ambassador for that year. In 1981 I was asked to be their wine ambassador, and they carried a very lovely article on me and on our wines. Co-sharing the spotlight was Richard Paul Hinckle, a wine writer, who they

also honored at the same time; in addition to the wine man they have a wine writer. They named the wine writer a sommelier, so Richard Paul Hinckle was the 1981 sommelier for the Riverbank Wine and Cheese Exposition. This is a very nice affair; they are very warm people. It's an honor to be in the group of people who have been previous recipients of the wine ambassador award. They included Joe Franzia, Sr., of Franzia; Tony Indelicato of Delicato winery; Dr. Maynard Amerine of the University of California; and Louis Petri. So I was in good company.

The only other award I could speak of is that during the Heublein years, in 1980, they initiated an Eagle Award for outstanding performance at United Vintners. I was one of about half a dozen people who received this Eagle Award for outstanding service. That meant a great deal to me. That was a nice award, because it was recognition by my own associates at the company.

Transcriber and Final Typist: Judy Smith



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EDMUND A. ROSSI . 3445 JACKSON STREET . SAN FRANCISCO, CALIFORNIA 94118

Feb. 15,1968 Le ISC celler in Juisso. He buch building at Buttery's greenwich, extending back to Sansome It was fuit shortly (?) Efore the earthquile le of april 18:1906 by the States Sim Colony, under the durish superior I my father. It was a very substantial hi enthquete without any homege Iremember my falker telling me that heattributed its wonderful condition til the fact that he writed repeated the antieta that the bucho before being laid should be throughly sonked. Though army officials dynamited practically all hulding in the neighborhood in an effort to prevent the spread of the fire to adjoining areas, my father succeeded in persuading the army to space the I.S.C cellars, because it contained a deep water well. The water from the well was used to in the hulding, which prevented the hig freing conders for selling fire to the ring. Thus the cellins were saved The well served as a source of works supply to the neighborhard for days after the fire! (new)

Therewho that my falker, my how frother and I slept on the floor Juny falker's flow the first night Jothe five, the night Japoil 18/19 1906. A HISTORICAL PERSPECTIVE ON

SONOMA COUNTY WINEMAKING

PRESENTED TO

THE SONOMA COUNTY HARVEST FAIR

SANTA ROSA

BY

EDMUND A. ROSSI, JR.

OCTOBER 6, 1984

SONOMA COUNTY FAIR SPEECH

INTRODUCTION: Delineate that this presentation touches on four periods of wine industry history.

Prohibition

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1919-1933

Survival

Post-prohibition

1933-1950

Recovery

1950-1970

Moderate Growth

1970-1983

Rapid Expansion

California winemaking predates even California's statehood, and Sonoma wine was its first star. The Franciscan padres first made wine from Mission grapes in 1769, and grapes were first planted in Sonoma in 1823. But it was Sonoma's General Mariano Vallejo who made the first California wine worthy of note. Some of the grapes grown at his Lachryma Montis Estate were noble varieties brought over from Europe by his friend and neighbor, Agoston Haraszthy, now popularly known as the Father of California Winemaking. And, of course, Haraszthy made Sonoma the home of California's first premium winery, Buena Vista, founded in 1857.

By 1900, Sonoma wines were winning awards and acclaim all over the world. And that's not too surprising, considering that so many immigrants to Sonoma came from Europe's best wine regions: France, Germany, Spain, and especially Italy.

These immigrants brought not only knowledge, but a taste for good wine. Civilized and temperate, they took wine with their meals and took pride in their ability to taste and judge wine analytically. But the Prohibition movement was afoot in the country. Despite the best efforts of reasonable men like Andrea Sbarboro, who founded Italian Swiss Colony, Prohibition became law in 1919. And it had a devastating effect on Sonoma's wine industry.

Before Prohibition, California wine production had risen from 22 million gallons in 1899 to 32 million gallons in 1918, reaching a high of 45 million in 1911. The state had 700 wineries in 1918, of which Sonoma had by far the greatest number: 256 (refer to Table 1). There were over 16,000 acres of grapes in the county. Americans were drinking California dry wine in preference to sweet by a margin of about 2 to 1.

Prohibition destroyed all that. By the time it was repealed, in December 1933 (refer to Table 1), there were only 160 wineries in all California, and an estimated 25 in Sonoma County. Worse yet, a whole generation lost its taste for wine.

Of course people were making wine at home. Grape juice or concentrate was sold with a packet of yeast and a warning not to add the yeast to the juice or it would ferment into wine! Limited winemaking for home and church use was still legal, and the "juice Grape" industry in California was flourishing. In fact, Sonoma grape acreage actually increased during Prohibition, to 21,000 acres in 1930. But the new vineyards were all planted to grapes that would ship well -- tough-skinned, high-sugar varieties which would produce wines with dark color and high alcohol. The people were drinking wines of lesser quality, and therefore, lost the concept of what fine wine was supposed to be. After Repeal, the number of wineries quadrupled overnight as people rushed to meet the pent-up thirst of our parched country (refer to Table 1). Wineries often operated 24 hours a day. What kinds of wine were they making?

Well, they made both table and dessert wines, but no varietals as we know them today. There was still a bit of Zinfandel around -- but it went into blends sold as "Claret" and "Burgundy". Sometimes, in fact, grapes were simply thrown into vats marked "red" or "white," and crushed and fermented that way. The wines were often on the market within 30 days of production. Who had the time for aging?

At that time, only half-a-dozen of the larger Sonoma wineries had bottling facilities; the rest were bulk operations, shipping barrels of wine direct to customers or for bottling elsewhere.

Let me give you an idea of how one Sonoma County winery produced and bottled wines ... and I think by now you can guess which winery I know best.

Our friend Joe Vercelli came to Italian Swiss Colony on August 22, 1933. Anticipating Repeal, 38 million gallons of wine were made during the 1933 vintage. When the great day came, December 6, 1933, trains loaded with cases of wine which had been stored in tanks during Prohibition rolled out from Asti.

In those days, almost all the reds were fermented in open redwood 10,000-gallon tanks, punched down by hand. There was no refrigeration or stainless steel yet, but we recognized the need for cool fermentation of white wines. Five-foot high tanks, about 2500-3000 gallons each, were built low and wide and open to dissipate heat for fermenting the whites. It was virtually impossible at that time to make white wines as we know them today. Under these conditions, we still produced four million gallons of wine a year at Italian Swiss Colony -- yes, mostly red!

We were considered the very cutting edge at ISC. We had eight concrete fermenters, 25,000-gallon tanks with a redwood tube down the middle to keep the red grape skins contained, yet in contact with the wine for flavor and color extraction. My grandfather, with my father and uncle, visited Algeria in 1909 to learn hot-weather winemaking and that's one of the techniques they brought back. Concrete and redwood were prevalent for a good 50 years afterward.

We were also the first to use a Krenz continuous pomace still. We pioneered the use of SO₂ in conjunction with pure wine yeast cultures, and the use of refrigeration in the stabilization of wine. It was at this time that bentonite was first used, which we take so much for granted today. It sounds like ancient history now, but then it was state of the art.

In 1934, records show 804 wineries in California. But soon the boom went bust. By 1938, the number was back down to 541.

Partly, this was due to poor-quality wine being produced. Bacterial problems led to a government quarantine of some wines, and even winery closures, in 1934. And remember, there was a Depression going on -- no money available to finance new plants or improvements.

During this recovery period, in fact, the whole industry struggled for stability against continuous boom-bust cycles. In 1936, the crop was short and so prices increased, leading in turn to an oversupply in 1937. To deal with the glut, a one-year "pro-rate" was instituted which limited grape prices to \$12 a ton and wine prices to 7¢ per gallon.

Who can stay in business when a year of hard work yields revenues like that?

Then during World War II came the restriction of making alcoholic beverages due to the nation's need of alcohol for war uses. Distillers flocked to California's winelands, since their industry had been so sharply curtailed by the Government. We welcomed the distillers with open arms, big guys and little guys. Wartime restrictions that disallowed the use of table and raisin grapes for making wine contributed to increased grape prices in Sonoma County (refer to Table 3). Immediately after the war there was again a boom leading to oversupply and a severe bust in 1947. Among others, Roma had been sold to Schenley Industries and Paul Masson was bought by Seagrams, Italian Swiss Colony was bought by National Distillers in 1942. Once I asked my father why he had sold the winery. His answer was characteristically pragmatic — "Because we had a buyer!"

As you can imagine, all these ups and downs did not have a healthy effect on Sonoma growers and winemakers. Wine grape acreage stayed flat or decreased for decades at a time. You can see the general relationship between grape prices and acreage in this chart (#3) behind me.

Notice in 1935 (refer to Table 3), grape prices hit a low of \$10 per ton. Except for the war years, acreage went downhill for quite awhile: Sonoma grape acreage decreased from about 20,000 acres to about 11,000 acres in 1960.

But despite all the hardships, there was progress being made. Scientific investigation in viticulture and enology was stepped up at Berkeley and UC Davis, under the guidance of people like Cruess, Joselyn, Amerine and Winkler. Dr. Cruess had followed Professor Bioletti at Berkeley with whom my father and uncle had studied. The UC Bulletins on making table wine, dessert wine and brandy were among the first definitive guidelines to the wine industry in California. I had the great good fortune to study at Davis during the 40's for what would now be considered a short time. I had brought back some ideas about analyzing wine, not only with the senses, but through instrumentation and chemical analysis.

I remember two incidents that illustrated how these notions could prove useful. Once, Elbert Brown, the Research/Quality Control man, and I went over to the old Shewan-Jones winery at Lodi to taste some white wines Myron Nightingale had made for the Lejon label. With us was a former competitive wrestler at UC -- named Lyman Cash, who was the chemist at Asti. We asked him to taste the wine and give us his opinion. He took a sip, swished it around, spit it out -- then he said he thought the wine was somewhat oxidized. Nightingale was getting more worried by the minute. If this guy didn't like the wine, who'd argue with him? Then Cash kind of grinned and said, "Now let me get rid of this plug of chewing tobacco and get a real taste!" That broke up the party! So much for delicate sensory perceptions. I wish to inject that I look back with much fondness and gratitude to Elbert Brown. He was the leading technical man in the industry during this period.

Another time, the SS Angelo Petri -- yes we actually had a tanker full of wines for shipping to the East Coast -- ran aground just out of the San Francisco Bay. Herb Caen called it "wine on the rocks." Anyway, we worried that the wine had been contaminated with seawater. Petri tasted it and thought it was OK, but with all the conflicting odors coming off the bay, it was pretty hard to taste anything. We had to turn to instrumentation. At last, our new spectrophometer was pressed into service! After a feverish night of sodium analysis and other tests, the wine was pronounced pure and drinkable, and duly reported so in the next day's papers. But not in Caen's column, of course! Before leaving this story, it is important to note that the SS Angelo Petri was put into service to resist increasing rail rates. This move was effective and, of course, benefited the California wine industry.

At the same time the scientific precepts of UC Davis were gaining acceptance, professional organizations were contributing to the industry's knowledge and stability. As far back as 1934, we had the Wine Institute, formed by Harry Caddow and Leon Adams (among others) as a direct descendant of the Grapes Growers League of Prohibition days. In 1938, the Wine Advisory Board was formed under a California State Marketing Order. In 1942, Louis Foppiano founded the Sonoma County Wine Growers Association. In the early 50's, the American Society of Enologists was formed with 20 charter members. Our idea was to create a forum for exchanging ideas, and we hoped thereby to improve the quality of our wine so it would be comparable to the best European imports. It worked. Through the A.S.E. came reports on developments like the control of

oxidation, the effective use of centrifugation, more use of stainless steel fermentation, improved vineyard practices, and closer control of the aging process by using different sizes and types of barrels. But perhaps more important, we started thinking about our markets and potential customers. We winemakers began to think like marketers - to respond to the public, and to contribute to their wine education.

By 1950 (refer to Table 2), while total wine sales approached 150 million gallons, the table wine market was still in the basement, figuratively. We made jug reds for Italian-Americans and dessert wines, sweet and high alcohol -- the latter often for people who drank for effect. Wine had a bad name in America. It was still associated with hard liquor and often distributed by the same people. Since people in the distribution system made more money in spirits, why should they learn about wine? It wasn't until 1954 that the word "fortified" was eliminated from federal regulations. Though we graduated from making the harsh, coarse wines of the late 1930's to the "sweet vinos," (from Table 2) it is apparent that dessert wines significantly outsold table wines throughout the 1950's.

But we had a secret weapon -- so secret not even we knew about it. By the early 60's the Baby Boomers were coming of age. And not only did we have the means to analyze the wines -- we could also analyze people's reactions to them, with market research. This was a huge market, just outgrowing soda pop and looking for something with that sweetness, that fizz, and a little bit of jolt. Thus were born the special naturals -- otherwise known as refreshment or "pop" wines.

My first assignment as Research Director at ISC in 1957 was to come up with a product tailored to match the appeal of Gallo's Thunderbird. Our entry was Silver Satin, which tasted like a mix of white Port and lemon juice, with 20% alcohol. Over a period years came our Bali Hai at 12% and finally, the Annie Green Springs, Boone's Farms and TJ Swanns, apple-based wines with a low 9% alcohol. The special naturals really pushed up table wine sales through the mid-60's and 70's. By 1974, Americans drank 50 million gallons of special naturals. That's 250 million bottles -- more than one bottle for every man, woman and child in the country. We finally could control oxidation, and the "pop" wines, chilled and served as cocktails, helped lay the groundwork for more acceptance of white wines. Table wine sales, at last, were looking up; in fact, they more than doubled between 1963 and 1970. In 1968, more table wine was sold than dessert wine for the first time in the post-prohibition era.

Looking at our charts (#2 and #4), you'll notice that with this consumption boom came increased new plantings in Sonoma County (refer to Table 4). In 1971, for the first time, new vines reached over 2000 acres. It peaked in 1975, with over 8000 non-bearing acres. Prices soared ... in fact, the real growth in new vines in Sonoma started when the price per ton consistently broke \$200. Of course, I'm talking average price per ton. And thanks to improved vineyard practices developed at Davis, and here in Sonoma County by Bob Sisson, yield per acre was increasing (refer to Table 4, Column 4) even with the less-prolific premiums. If we separate wine grapes into common and premium varieties, the change is even

more striking (refer to table 5). Incidentally, premium varieties are defined as grapes that merit being bottled as varietals and so Zinfandel and Petit Sirah, two old standby's in Sonoma County are included as premiums. In the early 1970's, came the Cabernets and the Pinot Noirs (refer to Table 6), 4140 acres of these two varietals alone in 1973! The color change hits one, too. In 1959, white premiums weren't even mentioned in the report. But by 1973, there were 3083 non-bearing acres in four top white varietials alone: Gewurztraminer, Chardonnay, Johannisberg Riesling, and Sauvignon Blanc (refer to Table 6). And last year, non-bearing acreage of those grapes came to 2896 acres, for a total of 10,854 acres of these four white varieties. Consumption figures bear this out. Remember the famous white wine boom of the mid-70's? In 1970, reds accounted for 50% of the table wine sold versus about 25% for whites; in 1980, reds had dropped to 27% versus 53% for In 1976, white table wine sales in the United States exceeded sales of red table wines for the first time in history. Of course, in the more sophisticated high end of the market, -fine Cabernets, Gamays, Pinot Noirs -- red wines will always hold their own. But what excites me is that the mass of American wine drinkers is regaining its palate.

It took us over 50 years -- from 1919 to 1970 -- to get back to the consumption patterns that prevailed before Prohibition (refer to Table 2 and Chart 2). And it's taken us the 14 years since to improve upon them. From Table 2 and Chart 2, it is easily seen that from 1970 to 1983 total wine consumption in the United States doubled due to the almost tripled use of table and sparkling wines. Today, dry table wines outnumber sweet dessert wines on retailers' shelves and on customers' dinner tables by almost 9 to 1, and

sparkling wines are making an unprecedented showing. Sonoma County winemaking has really taken off in the last five years -- we have 110 of 600 wineries in the state and all but one bottle their own wine. The days of bulk only producers are gone. Sonoma wineries have the most modern facilities for crushing, fermenting and storing, and grapes are a larger part of Sonoma's agricultural economy than ever before. As shown in Table 7, the value of Sonoma County's grapes increased by a factor of 25 from 1948 to 1983 - significant by any standard of growth.

I might add, we also have some of the best winemakers in California. In fact, two of the very best are sharing this very table with me this morning, Dick Arrowood of Chateau St. Jean and Zelma Long of Simi.

As the public has moved way from its taste for sweetness, we winemakers have moved away from the big tannin and acid levels once needed to balance all that sugar. Now we are bringing different styles of wine to the market, but always within the framework of what the consumer wants: balance and palatability.

At the same time, we're educating the consumers. How did they learn what varietals were? They learned by drinking wines with a distinctive varietal character, as we were making in the late 70's. Now they're graduating to wines with more subtleties. With the proliferation of varietals and appellations, each with distinctive characteristics to impart to wine, we have the privilege of creating wine with more style and nuance of character than ever before. But we also have a responsibility to the consumer.

Our sales and marketing efforts must show consumers how to appreciate these differences. After all, if we don't show the consumer the comparative value of our product, how can we compete with the imports? We have to wear two hats -- making sound wines, but remembering marketing considerations too. In other words, winemakers must follow consumer wishes and at the same time, give consumers direction.

The pattern is established. Sonoma is reclaiming its rightful place in California winemaking. Let's not forget the Pedroncellis, the Sebastianis, the Foppianos, Seghesios, Martinis, and Pratis, as well as my own family and all those others whose perseverance helped lay the foundation for making good wine here in Sonoma County. Without their efforts, we wouldn't be talking about the nuances of American versus French oak and other subtleties of winemaking that consume our thoughts today. One has to wonder why people stayed in this crazy business. I asked my father that question once, and I suspect many of us share his reason: "Because," he said, "that's what my father taught me, and it's all I know."

But the crown of quality is ours again. I hope everyone here today will join me in celebrating our regained heritage, and dedicating ourselves to keeping its luster bright. Thank you.

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- 6. Grape Acreage by Selected Premium Varieties
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TABLE 1

NUMBER C	F BONDED WINERIES:	CALIFORNIA	SONOMA
	[1920		SONOLIA
		700	256]
		565	141*]
NO	[1926	483	120*]
TIC	[1927	422	105* } %
BI	[1928	373	93*]H
PROHIBITION	[1929	325	81] [
PR	[1930	273	105* }ROHIBITION 81]TION 58*]ON
	[1931	251	62*]
	[1933 TO 380 BY YEAR END	160	
	1938	541	
	1943	408	98
	1948		81*
	1953	375*	75*
		344	56
	1958	417	48
	1963	237	32
	1968	234	26
	1973	278	36
	1978	416	
	1983		68
		606	110

* ESTIMATED FIGURES

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TABLE 2

U.S. WINE CONSUMPTION: BREAKDOWN BY CATEGORIES (Millions of Gallons)

	TABLE	DESSERT	% TABLE/ % DESSERT	STILL TOTAL	SPARKLING
1914-1918	29.5	18.9	61/39	48.4	1
1948-1950	35.8	110.0	24/76	145.8	1.5
1963-1965 (A)	69.6	107.8	39/61	177.4	-
1969 (C)	119.9	100.0	55/45	219.9	16.1
1970 (B)	149.8	93.4 (12)	61/39	245.2	22.1
1974	243.7 (52)	85.9 (10)	74/26	329.9	19.8
980	384.8 (26)	63.2 (10)	81/19	448.0	29.9
983	420.4 (18)	56.8 (11)	88/12	477.2	43.4

- A) 1968 Table Wine Sales Exceeded Desserts
- B) 1976 White Wine Sales Exceeded Red Table
- Numbers in parentheses shows sales special natural wines included in figures above.

TABLE 3 167

SONOMA GRAPE ACREAGE

AND

PRICES PER TON

1933 - 1960

YEAR	BEARING ACREAGE	YIELD PER ACRE	PRICE PER TON
1933	20,383	.81	\$ 34.82
1934	21,500	1.97	15.00
1935	20,000*		10.43
1936	19,192	1.15	20.00
1937	19,859	1.76	22.00
1938	20,499	1.85	12.00
1939	20,950	1.50	16.00
1940	21,125	2.16	20.00
1941	21,370	1.66	27.50
1942	21,670	2.02	34.50
1943	23,453	1.90	87.24
1944	21,750	1.66	125.00
1945	21,958	1.81	71.68
1946	22,879	2.00	124.17
1947	22,704	1.50	35.00
1948	16,064	2.36	39.05
1949	16,277	1.79	42.90
1950	15,849	1.13	83.75
1951	14,772	2.16	55.00
1952	13,463	1.97	40.00
1953	11,689	2.39	41.79
1954	11,351	2.51	48.51
1955	11,168	2.90	49.14
1956	11,057	3.30	52.77
1957	11,380	2.31	53.86
1958	11,262	2.98	59.70
1959	11,159	2.41	68.00
1960	10,705	2.20	90.00

TABLE 4

SONOMA GRAPE ACREAGE

AND

PRICES PER TON

1961 - 1983

YEAR	BEARING _ACRES	NON-BEARING ACRES	YIELD PER ACRE	PRICE PER TON
1961	10,625	449	2.23	\$135.00
1962	10,600	603	3.15	96.10
1963	10,669	624	2.64	96.70
1964	10,770	646	2.44	136.67
1965	11,188	863	2.88	107.20
1966	11,572	1,171	2.73	102.49
1967	11,765	1,049	2.92	112.00
1968	12,764	723	2.39	132.97
1969	12,579	921	2.37	166.29
1970	12,597	1,302	1.50	255.70 (
1971	12,332	2,611	2.83	342.97
1972	12,689	4,377	2.25	455.12
1973	13,452	5,838	3.17	508.00
374	13,798	7,766	3.27	272.02
1975	16,151	8,245	2.46	238.94
1976	19,474	5,416	2.02	339.80
L977	23,335	1,935	2.02	453.23
1978	24,087	2,267 Mor Tha	e Whites 2.68 n Blacks	473.43
979	23,898	2,783	3.20	455.95
980	23,639	3,737	3.34	506.48
981	23,776	4,665	3.39	590.34
982	24,746	4,502	4.00	564.87
983	25,541	4,632	3.14	542.56

First year average grape price in Sonoma County was over \$200/ton

TABLE 5

PREMIUM vs. COMMON GRAPES GROWN IN SONOMA COUNTY 1948/1983

(Bearing Acreage Only)

ίΩI	Total	16,032,	25,541
TOTAL ALL GRAPES	Сомтоп	9 6803 (57% premium)	771 1771 (93% premium)
TOTAL	Premium	9229 (57% p	23,771 (93% p
5 7 4 9	Total	2193	11049
WHITE	Common	2037 emium)	527 cemium)
	Premium	156 203 (7% premium)	10,522 527 (95% premium)
B)ack	Total	13,839	14,492
BLACK	Common	4766 emium)	1243 emium)
	Premium	9073 476 (65% premium)	13,249 124 (91% premium)
		1948	1983

TABLE 6 SONOMA COUNTY GRAPE ACREAGE

FOR SELECTED PREMIUM VARIETIES

BLACKS -- Non-Bearing Acres (Total Acres)

Zinfandel	Cabernet	Petit Sirah	Pinot Noir
128 (7,348)		49 (1,886)	;
56 (4,307)		20 (1,563)	i
443 (3,721)	2,390 (4,164)	36 (1,194)	1,750 (2,523)
305 (4,220)	346 (5,244)	43 (1060)	33 (2871)
406 (4,635)	347 (4,715)	18 (715)	220 (2,841)
Gewurztraminer	Chardonnay	Jo. Riesling	Sauvignon Blanc
!	1	!	1
	!	8	;
367 (473)	1,289 (1,808)	541(814)	38 (261)
122 (860)	793 (3342)	166(1,364)	176 (488)
153 (1,260)	1,833 (6,460).	48 (1,367)	862 (1,767)

171 TABLE 7

IMPORTANCE OF GRAPE-GROWING TO SONOMA AGRICULTURAL ECONOMY Sonoma County 1919 - 1983

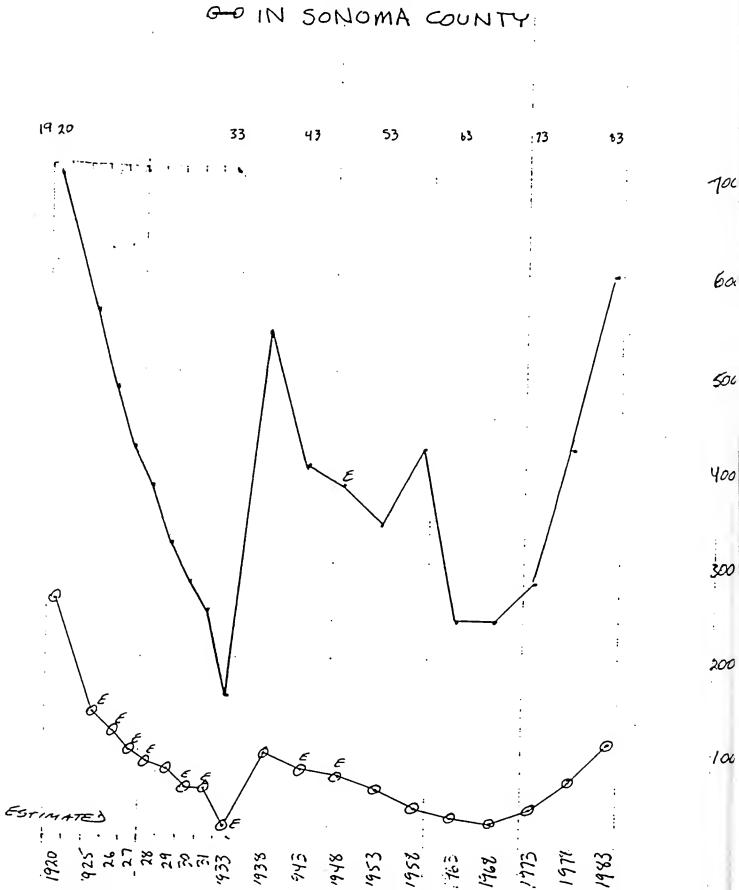
	GRAPE TOTAL CROP VALUE (× \$1000)	TOTAL FRUIT & NUT CROP VALUE (× \$1000)	% of TOTAL VALUE IN GRAPES	TOTAL FRUIT NUT & VEGE- TABLE DROP ACREAGE	•	% OF TOTAL IN GRAPES
1919				65,701	16,307	248
.923				65,880	17,150	26%
928				68,641	20,000	29%
.933				66,685	20,383	30%
938				72,603	20,499	28%
943				73,466	23,453	32%
948	1,484	6,770	21.9%	76,654	22,704	29%
953	1,170	10,078	11.6%	45,401	11,689	26%
958	2,006	11,728	17.1%	42,604	11,262	26%
963	2,723	11,121	24.5%	42,382	10,685	25%
968	4,057	21,805	18.6%	45,511	12,764	28%
973	21,692	39,427	55.0%	34,055	9,685	28%
3 78	30,574	47,368	64.5%	42,665	24,087	56%
3 € 8 €	43,514	54,603	79.7%	41,016	23,776	58%

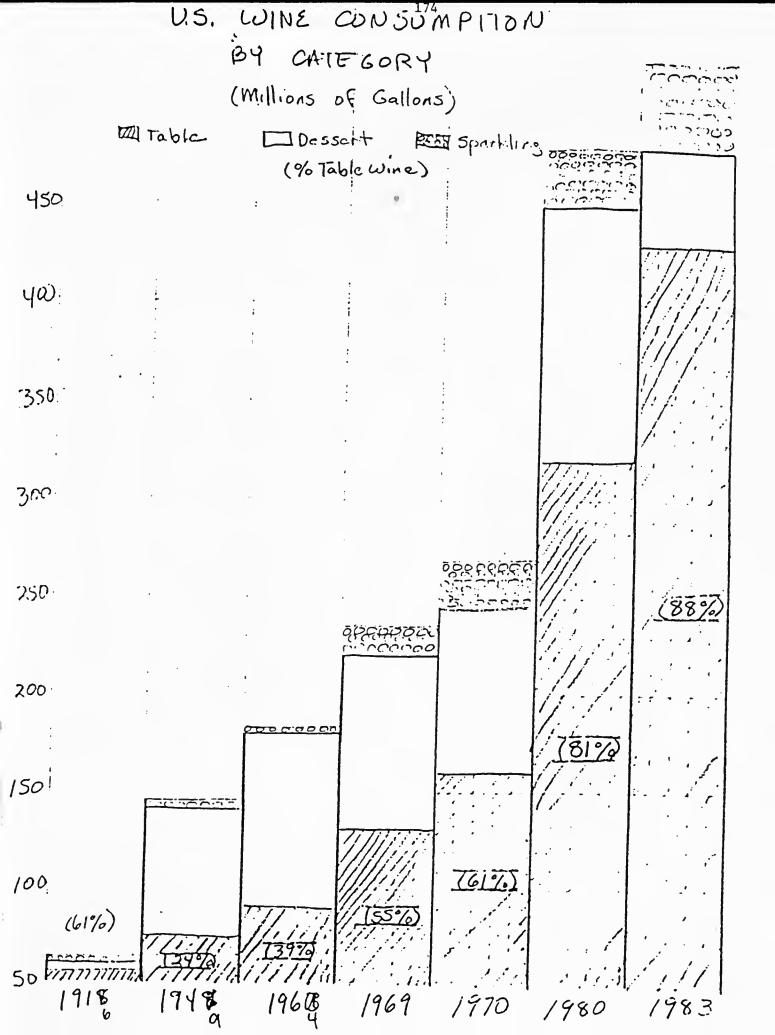
43.5/1.5 = 25 Value grape crop in 1983 was 25 times value in 1948

LIST OF CHARTS

- Number bonded wineries in Sonoma County and in California
- 2. Sonoma grape acreage vs. price/ton
 1933-1960
- 3. Sonoma grape acreage vs. price/ton 1961-1983
- 4. U.S. wine consumption by category

NUMBER OF BONDED WINERIES IN CALIFORNIA





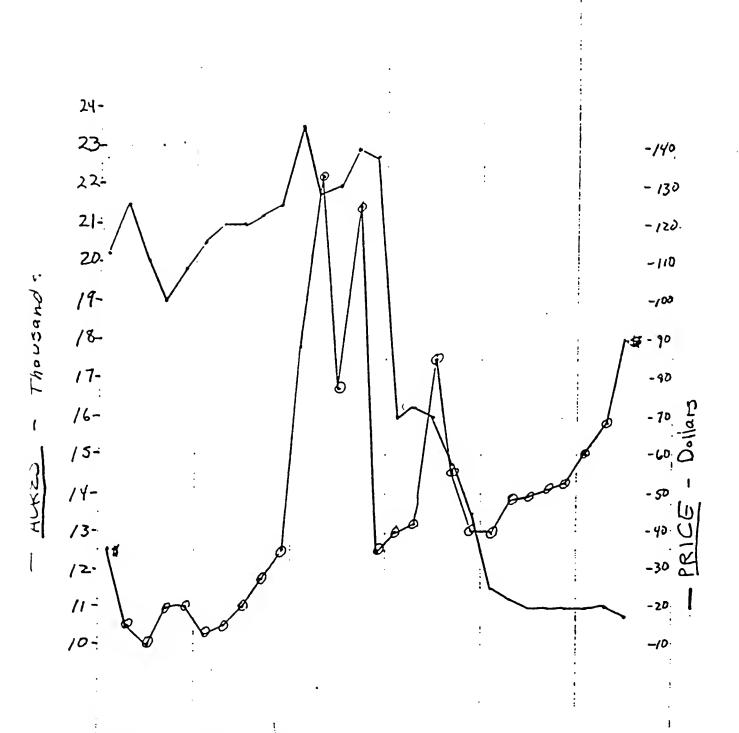
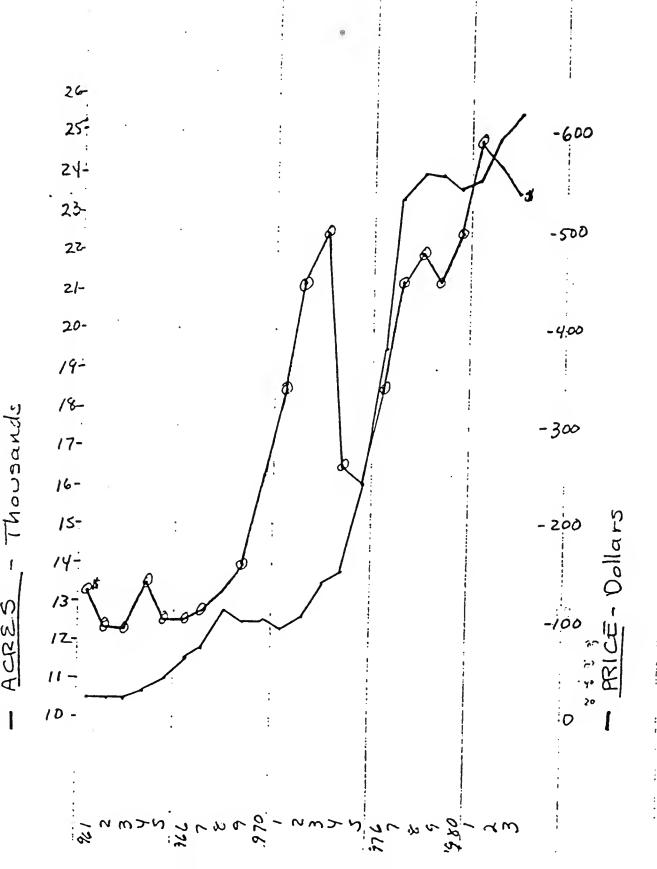


CHART #4 176

SONOMA GRAPE ACREAGE VS.

PRICE PER TON

1961 - 1983



ISC WINES OF CALIFORNIA, INC. MEMORANDUM

TO: Richard McCombs FROM: E. A. Rossi, Jr.

RE: History of Winemaking on Sonoma County

DATE: October 31, 1984

> Attached is the final draft of my presentation as a panel member at the recent Sonoma County Harvest Fair. is entitled "A Historical Perspective on Sonoma County Winemaking."

I hope you enjoy reading it. You may wish to pass it around.

> E. a. Bossi, fr/vl E. A. Rossi, Jr.

EAR/vl

Attachment

Judy Gollan] Copy enclosed for people
Scott Stoner] interested at Asti. cc:

recuircal Mayrsory committee formed suite 0, 1944

LIST OF CHAIRMEN OF TECHNICAL ADVISORY COMMITTEE

M. W. Turbovsky - July 15, 1942 - August 18, 1944

Harold W. Berg - August 19, 1944 - April 26, 1946

Joseph S. Vercelli - April 27, 1946 - February 28, 1947

Charles M. Crawford - March 1, 1947 - March 2, 1948

W. E. Kite - March 3, 1948 - March 7, 1950

E. M. Brown - March 8, 1950 - March 3, 1952

Max Goldman - March 4, 1952 - March 8, 1954

E. C. Skofis - March 9, 1954 - February 20, 1956

Charles B. Holden - February 21, 1956 - May 13, 1957

Philip Posson - May 14, 1957 - May 26, 1958

Myron S. Nightingale - May 27, 1958 - May 25, 1959

Ze'ev Halperin - May 26, 1959 - May 23, 1960

M. J. Bo - May 24, 1960 - May 25, 1961

William V. LaRosa - May 26, 1961 - May 28, 1962

Hans Warkentin - May 29, 1962 - June 3, 1963

E. A. Rossi, Jr. - June 4, 1963 - May 28, 1964

Leo A. Berti - May 29, 1964 - June 7, 1965

John Hoffman - June 8, 1965 - June 9, 1966

Dawson Wright - June 10, 1966 - June 8, 1967

Raul T. DeSoto - June 9, 1967 - June 6, 1968

Alfred F. Pirrone - June 7, 1968 - June 9, 1969

Ron Hanson - June 10, 1969 - June 8, 1970

M. S. Nury - June 9, 1970 - June 14, 1971

Hector Castro - June 15, 1971 - June 8, 1972

Roy Mineau - June 9, 1972 - June 4, 1973

Wine Institute Technical Advisory Committee dissolved June 4, 1973

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Ruth Teiser

Born in Portland, Oregon; came to the Bay
Area in 1932 and has lived here ever since.
Stanford University, B.A., M.A. in English;
further graduate work in Western history.
Newspaper and magazine writer in San Francisco
since 1943, writing on local history and
business and social life of the Bay Area.
Book reviewer for the San Francisco Chronicle,
1943-1974.

- Co-author of <u>Winemaking in California</u>, a history, 1982.
- An interviewer-editor in the Regional Oral History Office since 1965.

		. **

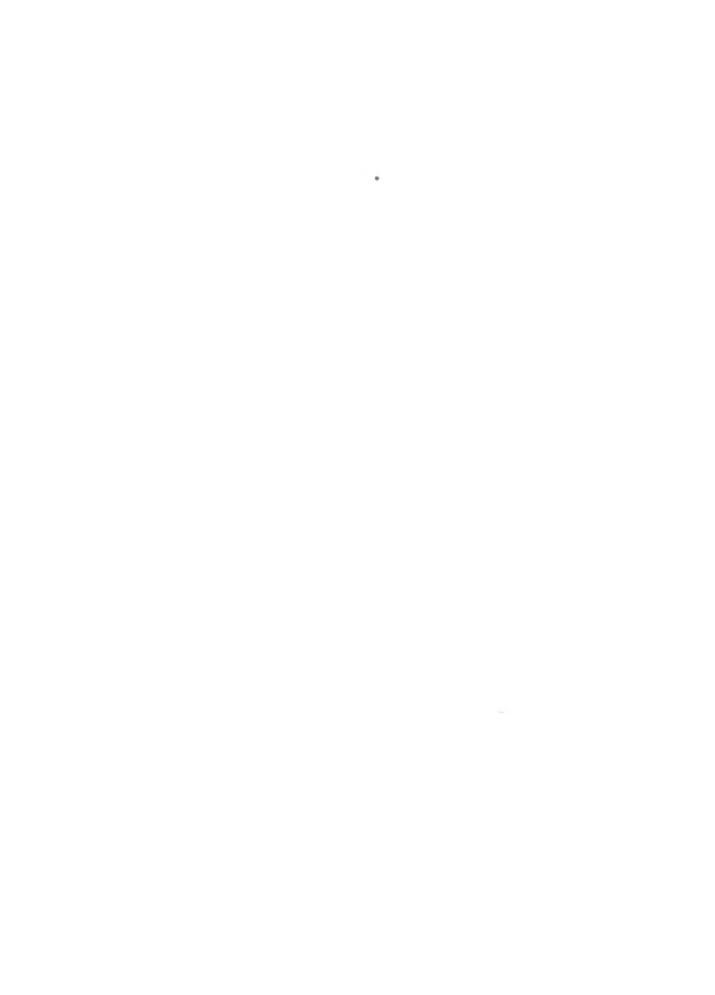
Lisa S. Jacobson

Born in San Francisco. B.A. cum laude, Pomona College, majoring in history; studied at Oxford University. Experience in market research and museum research.

Editorial assistant and alumni news editor, Public Affairs Office, Pomona College.

Research manager, interviewer, editor, and writer with private oral history organization, specializing in business history. Since 1986, researcher, interviewer, and editor with Regional Oral History Office, in fields of business history, wine industry, and social history.

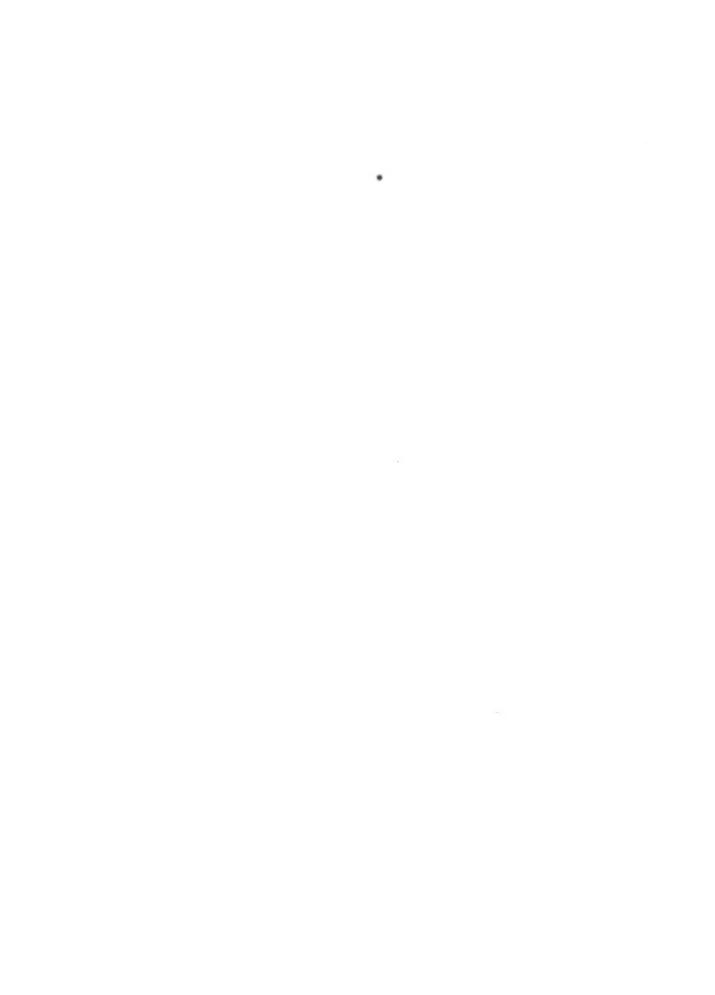












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